



MICHIGAN TOWNSHIPS ASSOCIATION

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MTA Supports House Tax Plan

Calls the plan a step in the right direction

Lansing, MI – The Michigan Townships Association (MTA) today announced its support of the House business tax plan as it is introduced.

MTA membership adopted a policy that supports the state looking into the reduction or elimination of personal property taxes by using business tax credits to avoid harming local units of government. In addition, the MTA membership has supported the governor's plan to exempt personal property tax from the state education tax and local school millages.

"As introduced, MTA supports the House business tax plan," said Bill Anderson, MTA legislative liaison. "After months of negotiations and uncertainty, this plan is a step in the right direction.

"We appreciate the time and effort that went into developing a plan that essentially combines the ideas of the governor and the Michigan Chamber of Commerce to exempt most personal property from the education-related property taxes and offers tax credit for industrial personal property on the remaining taxes that are paid."

According to a Michigan Department of Treasury report issued in 2006, personal property taxes account for 12 percent of the property taxes collected in the state. These taxes are a significant part of running all local government operations including townships, cities, counties, schools and even libraries.

"By avoiding the issue of eliminating voter-approved local taxes, the plan, as introduced, protects all local governments from having to deal with the uncertainty of the state appropriation process and further undercutting an already unstable revenue situation at the local level," Anderson said. "By retaining the local tax and offering a state tax credit instead, the House has avoided the unintended consequence of automatically increasing millage rates on locally approved bonds for homeowners as well as endangering numerous locally operated economic development programs."

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