DetroitRegionalChamber

Testimony by
Dan Smith
Director of Government Relations
Detroit Regional Chamber
To House Tax Policy
November 1, 2007

Mr. Chair, members of the committee. My name is Dan Smith, I'm Director of Government Relations with the Detroit Regional Chamber. Our organization represents 23,000 member firms and is the largest chamber of commerce in the country. I begin my testimony by asking that you repeal the recently enacted service tax before the December 1st implementation date. This service tax is bad for Michigan, and Michigan's economy.

The compliance costs of this tax will be in the millions and these costs are on top of MBT compliance costs and are completely unnecessary. Since passage of this bill, our membership has been very vocal in their opposition to this tax. We recently conducted a survey of our membership. Nearly 700 members responded to the survey with 93% opposing the tax. 85% said that there would be some kind of negative impact on there business. An unprecedented 381 members offered comments on this tax, a typical survey of this type would be less than 20 comments. I have provided for you a copy of those comments and the results of this survey. I urge every member of this committee to work to repeal the service tax.

While this service tax was initially billed as a tax on discretionary and luxury services, it is anything but. Nearly 2/3 of the total revenue generated is from business to business transactions. This means that local Michigan businesses that purchase any number of these services from other Michigan business will have an additional cost that will make them less competitive on December 1st than they are today. This means that all along the supply chain of a Michigan product there is an increased cost that will be absorbed by suppliers, customers and in the end make the product less competitive than other states. This pyramiding will cost Michigan jobs and make Michigan products less competitive. This tax is origin based which means it is based on service consumption in Michigan so the burden is 100% local, and there is no exporting to out of state companies. At a time when we are encouraging businesses to come to Michigan this sends a terrible signal about our business climate and further hurts Michigan's image.

This tax works in completely the opposite manner than the new Michigan Business Tax. On the one hand you have a business tax in the MBT that attempts to export the tax burden, reward job providers and investors of property and payroll. On the other hand you have a service tax that only taxes in state actives and companies. You are sending a mixed message that will not aide economic development.

There are many administrative problems with the service tax including the following:

- Massive ambiguity, especially consulting, office administrative, investment

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- Using NAICS codes to define services for taxation is vague and un-administrable. No other states use NAICS codes as statutory language to define services
- Inter-company services are taxable - this is an inherent feature of a sales/use tax since it is transaction and legal entity based. Companies perform tons of services inter-company. When they sell goods to each other the resale or IP exemption usually applies so the problems are not the same with goods
- Bundling is a fundamental problem since (a bill for 100 hours of time could be for 100 different services)
- Sourcing is inherently problematic with services they are intangible, and where the benefit is received is subjective
- Consumer exemptions are unclear (resale, industrial processing, etc.)
- Effective date/timing uncertainty when does tax begin, what if a bill covers services before and after 12/1, etc
- Lack of input exemption. Consumption taxes typically tax consumption and tax the consumer in the end. There is no input exemption, quite the opposite
- Agency collection obligation of sellers amplifies problems if they fail to collect the tax shifts to them, so they will err on the side of over-collection
- Administrative challenges for taxpayers - massive cost, huge uncertainty
- Administrative challenges for Treasury -already burdened with implementing the MBT.

While accounting and legal services are not taxed, what is to stop them from providing these services. An accountant or lawyer can provide benefits consulting services and the consumer will say these are "accounting" or "legal" services. Treasury will have to spend time and effort to determine if services of lawyers or accountants are really "benefits" or other management services. This is just asking for controversy, and is exactly why we call this tax simply un-administrable.

The methodology for the revenue estimates for this tax is inconsistent with how the tax itself is actually calculated. Treasury modeled the tax based on the location of the service provider and the tax is written as a tax on services consumed here. These services are provided by service providers globally, not just here in Michigan. Because of the nature of Michigan-headquartered multinational businesses, Michigan is a huge importer of management services. The revenue estimates have severely understated the cost burden of the services tax to Michigan businesses.

This tax is the wrong approach to trying to balance the budget. The Detroit Regional Chamber believes that significant cuts and reforms are still available to the legislature to further reduce the budget. We also believe that an increase in the personal income tax is a more palatable approach to balancing the budget than hurting business. If both of these options are not available we would suggest a straightforward business tax, that continues to protect small business, continues to provide credits for investment in jobs and capitol. We support a temporary surcharge on the MBT, or even a possible rate increase. We would suggest a cap of $2 million on any surcharge, limiting the gross effect of this tax. While this approach is not what we prefer we would accept it, if the revenue trigger would refund taxpayer's on dollar one above 5% of what the SBT currently generates. This would ensure that there will be no more than a 5% tax increase on business. I urge you to repeal this tax, and find a way to let Michigan's economy grow. If we continue to tax businesses in this way, we will find ourselves continually in a budget shortfall.

DetroitRegionalChamber
Powering the economy for Southeast Michigan

Date: October 16, 2007

To: Michigan Legislature

From: Detroit Regional Chamber

Subject: Use Tax

Membership feedback regarding sales tax on services

The Detroit Regional Chamber's Board of Directors earlier this year voted to oppose any expansion of the sales tax to services, or any increase in the sales tax rate. This board position led the Chamber to oppose House Bill 5198. As a means of balancing this year's budget, the Chamber did support an increase in the personal income tax rate to 4.6%, so long as there were no new business taxes, and that meaningful long term structural reform was passed.

On October 1st Public Act 93 was signed by Governor Granholm. The new law taxes numerous business services, many of which are integral to the continued economic growth of Michigan. On October 2nd, 2007 we conducted a survey of our membership to better understand what impact this tax was likely to have once implemented on December 1st. The response was overwhelming. The Chamber received responses from 635 members. 93% were opposed to expanding the sales tax to business services. 85% expected the new taxes to have a negative impact on their business. Additionally 90% wanted to see more spending cuts in state government rather than this sales tax expansion.

Members were also given an opportunity to comment on the sales tax expansion to services. Attached for your review are the comments that were made in this survey. To date, 379 members have taken time out of their day to communicate their frustration, anger, and disappointment with this new tax. The over whelming majority of comments are negative. We urge you to review these comments to better understand the impact of this new tax. The comments show that the sales tax on services will be damaging to Michigan's economy and Michigan business. Our Chamber leadership and members will continue to examine our position in the coming weeks, but we felt that it was important to communicate to you the concerns of our members.

If you have questions please contact Sarah Hubbard shubbard@detroitchamber.com (517) 372-2278, or Dan Smith dsmith@detroitchamber.com (313) 596-0349

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Page: Sales Tax on Services Survey

1. Do you support expanding the sales tax to business services?

	Response Percent	Respons Count
Yes	7.1%	4
No	**92.9%**	59
	answered question	**63**
	skipped question	

2. Do you expect the new taxes to have a negative impact on your business?

	Response Percent	Respons Count
Yes	**85.0%**	53
No	15.0%	9
	answered question	**63**
	skipped question	

3. Would you support efforts to replace the sales tax on services with more spending cuts?

	Response Percent	Respons Count
Yes	**89.6%**	56
No	10.4%	6
	answered question	**63**
	skipped question	

4. Please provide any additional comments about the new tax:

	Respons Count

view	37
answered question	**37**
skipped question	**26**

Comments Summary

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		Comment Text	Response Date
Find	1.	The service tax is another hit to already struggling businesses. MI will once again be the odd state out and will be viewed as anti-business. If additional revenues are needed, increase the individual income tax rate which is at least a deductible tax for federal income tax purposes.	Mon, 10/15/07 6:45 AM
Find	2.	What business is going to move into Michigan with this new tax. NONE. There will be more and more businesses moving out. I say why bother with Tech Avenue plans if the tax structure is the detriment to new business in Michigan. Locate in Toledo and just do business here, is that what the Governor is advocating because that is the message being sent? When I have to balance my budget at home - the first thing I do is cut spending. Why is that concept so hard for the Michigan lawmakers to understand? You can't keep spending and expect others to pay for it or keep borrowing money to finance your spending habits. Eventually it catches up with you - and Governor - you've been caught.	Mon, 10/15/07 5:39 AM
Find	3.	i think if they are going to tax skiing then they should tax golfing as well. and just raise the the sales tax to 8% across the board so all will help contribute toward it.	Sat, 10/13/07 5:28 PM
Find	4.	We don't need to cut more services to our citizens...what we need is fiscal responsibility. The money's already there and these elected puppets are working too close with special interests to be effective leaders and responsible stewards of these funds.	Fri, 10/12/07 3:07 PM
Find	5.	I would think salary cuts in Lansing, closing certain offices on Friday until the budget is in line with spending. If businesses are chased out of Michigan the budget will never be in control. Why are our representatives cutting off their noses to spite their faces.	Fri, 10/12/07 9:49 AM
Find	6.	Alternatively, I would support an added increase in the income tax. I believe a minor increase could replace this extremely onerous service tax. In the end, individuals will pay for the service tax anyway. Why put businesses through significant pain and effort in implementing this new tax?	Fri, 10/12/07 9:49 AM
Find	7.	Raising and expanding our taxers is the LAZY way out of our budget problem. You cannot expect the people that are still in this state to absorb our shortfall that is in many ways due to a shrinking base. That is counterproductive in the long haul.	Fri, 10/12/07 6:29 AM
Find	8.	The tax is another move that negatively impacts business and provides just another reason for businesses to choose other states in which to locate their businesses. In addition, it does not appear to have been applied equitably and is extremely convoluted and complicated due to special interest groups and their influence on the legislators. It ultimately forces the burden on already lean businesses and shrinking personal budgets in order to avoid placing the burden where it belongs - on the inefficient state government spending. As a business person who interacts with business people throughout the USA, it is becoming almost embarassing to try to explain to others what is going on in this state - the economy, the pooly structured MBT, and now this.	Fri, 10/12/07 4:19 AM
Find	9.	The new tax on services is very unequitable, and will be difficult to enforce based on the market segmentation of whom it applies to. I feel that the State should obtain their required revenue increases through a more uniformed and easier to enforce means (increased	Thu, 10/11/07 9:16 AM

income tax or increased sales tax)

Find	10.	The ambiguity of the tax applying to some services but not others is going to make application inconsistant and enforcement difficulty and unfair.	Thu, 10/11/07 6:52 AM
Find	11.	The sales/use taxes assessed on services is just another example of making Michigan less business competitive and prone to lose businesses and reduce job & career opportunities for Michigan citizenry. The Governor continues to demonstrate an inability to make difficult decisions & lead by reducing the size & cost of state government in a challenging economy.	Thu, 10/11/07 3:57 AM
Find	12.	This tax is going to be cumbersome at best. Philosophically, a broader tax at a lower rate with fewer exemptions and deductions (whether service or income tax)would be better than what was passed.	Wed, 10/10/07 1:31 PM
Find	13.	Additional tax on business, especially services, just adds another reason for business to exit Michigan or not consider MI as a business site. Definately inconsistent with the idea of attracting more employment to the state!	Wed, 10/10/07 1:08 PM
Find	14.	We probably need a broader approach to converting our taxation system to reflect the transistion to a service-based economy than this effort reflects so far.	Wed, 10/10/07 12:40 PM
Find	15.	Like the Florida Intangibles tax, I believe "customers" of Michigan service providers will shop their services across state lines. Families and individuals with wealth will not be willing to pay CA & NY tax rates between the new MBT and service sales tax to reside or work with service providers in Michigan. Moving their nexus is not much of an issue as many of them have second and even third homes outside of Michigan. The revenue increase to the State is likely to be very short sighted.	Wed, 10/10/07 9:21 AM
Find	16.	I would also support a 4.6% individual income tax rate on incomes above a certain threshold.	Wed, 10/10/07 8:27 AM
Find	17.	I believe this tax will hurt Michigan business at a time when we can't afford it.	Wed, 10/10/07 7:30 AM
Find	18.	I would rather see a graduated income tax increase on high income taxpayers than a regressive sales tax expansion	Wed, 10/10/07 5:41 AM
Find	19.	Our state is hurting enough without putting additional costs on our taxpayers. Our state is becoming the target of jokes and politicians are using our state as an example of how NOT to run a government. I just finished reading an editorial by Rudy Guliani where he points out all the negatives of trying to solve fiscal problems by raising taxes. Enough is enough!!!!	Wed, 10/10/07 5:26 AM
Find	20.	Cuts need to be made in EVERY area across the board. Legislators should be paid as part-time employees only. Increasing the taxes for Michiganders is like kicking your constituents when they're down.	Tue, 10/9/07 7:54 PM
Find	21.	.....utter disapointment.....	Tue, 10/9/07 2:22 PM
Find	22.	We are already hearing from clients that they are looking to move certain services out of state if they are subject to the sales tax.	Tue, 10/9/07 1:39 PM
Find	23.	I've lived in Michigan all of my life. Events of late, including this tax, have made me embarrassed to say I live in MI (to clients that I serve in other states).	Tue, 10/9/07 12:09 PM
Find	24.	separate spa services from massage theraphy - the latter being something medically needed! It's for my fibromyalgia and osteoarthritis - not just to de-stress or pamper myself. Bad enough insurance doesn't cover it - now it's subject to tax! Adds insult to injury!	Tue, 10/9/07 11:01 AM

25. I think the cost and headaches of fairly implementing this tax will be huge. Many small businesses will be impacted, who have no systems for collecting and remitting such a tax. I am confident that there is a better way, primarily via cost savings. Tue, 10/9/07 7:49 AM

Find 26. Increasing the personal income tax to 4.6% would be a better alternative. This taxing structure is already in place and people understand it. it does not take any more time for the Michigan Department of Treasury to administer it. Having to educate many business people who offer these newly-taxed services about the sales tax is not productive use of their time. The administration of this new sales tax on services will increase the burden on both businesses and the Michigan Department of Treasury. This new tax on services may encourage many cash basis service providers to not report more of their income so Michigan will receive less in income tax and the new Michigan Business Tax. It is also a tax that other states can point to in order to persuade businesses not to move to Michigan. Tue, 10/9/07 7:39 AM

Find 27. This tax is anti-business. The only way to increase revenue in this state is to attract business. Tue, 10/9/07 7:32 AM

Find 28. I would support repealing the 2% sales tax and replacing the revenue with a larger increase in the income tax. I could even support a total revamp of both the income tax and expanding the sales tax to all services at a lower rate but picking out certain services to pay the 2% is very distructive to the State's business climate and needs to be changed. Tue, 10/9/07 7:31 AM

Find 29. I would even support increasing the income tax to decrease this new sales tax. Tue, 10/9/07 7:28 AM

Find 30. Should increse the sales tax Tue, 10/9/07 6:22 AM

Find 31. When, throughout the course of history, has taxing a dying economy benefited anyone? Tue, 10/9/07 6:04 AM

Find 32. you have to be a small business to truely apppreciate the complexity caused by a new tax, understading that tax, propserly repoarting and in general complying. This complesxity adds to the question, why do I do this everyday? Tue, 10/9/07 6:02 AM

Find 33. Impossible and impractical to implement. Bad public policy. The wrong road for Michigan to go down. Will create confusion and be an administrative nightmare. Would support rolling up the income tax rate slightly instead of this new flawed system. It has to be repealed. Tue, 10/9/07 5:22 AM

Find 34. New sales tax is not only ridiculous, but almost impossible to implement. Many of the businesses being taxed are cash businesses, so while it might get collected from the consumer, it will never get remitted to the state. We all know there is alot of waste in government spending. Spending cuts can and should be made and I believe those can be made without hurting education, law enforcement, or health care. We need to make Michigan more attractive, not drive more people away. Even Governor Granholm can not be this blind - can she??? We are blown away though, that is one promise she did keep, however, no one knew she meant we would be blown to last place. Mon, 10/8/07 8:33 PM

Find 35. Baby shoe bronzing? Stop wasting time and cut the fat from the budget. When businesses are struggling, additional taxes are not the answer. Mon, 10/8/07 6:34 PM

Find 36. I do not support the tax, but if maintained, needs to be simplified and made understandable. There also needs to be more consistency; for example, why is golf exempted? Mon, 10/8/07 5:17 PM

Find 37. it will be very difficult to implement and administer.....leading to administrative burdens on business and lack of compliance....it is a bad idea!! Mon, 10/8/07 4:54 PM

	38.	Question 3 is a little self-serving, but the hassle factor of a use tax on services will secure our position as a manufacturing state and make it difficult to transfor to the knowledge economy enjoyed by thriving states.	Mon, 10/8/07 4:48 PM
Find	39.	A sales tax on services was considered in dropped during the MBT discussions. I think the state did a disservice to businesess to throw it in as a stop gab for budget purposes when the real fix is to curb spending. Further, the selection of taxable services appears so abitrary (those witout strong lobbies or influece lost)it should be embarassing to those who supported it.	Mon, 10/8/07 4:32 PM
Find	40.	Implementation will be difficult. The lost productivity in the state dealing with these issues is an unknown cost, but meaningful. If it's the service economy we want to develop in this state, as our manufacturing gets moved to less expensive offshore locales, why hinder the development of service businesses?	Mon, 10/8/07 3:44 PM
Find	41.	I would like to see spending cuts made a priority; however, in light of this an increase in sales tax might be stomachable	Mon, 10/8/07 3:21 PM
Find	42.	I feel strongly that this new tax will negatively impact the business environment in the state of Michigan.	Mon, 10/8/07 3:05 PM
Find	43.	In trying to reduce the budget I stongly suggest reducing the State legislature to part time positions.	Mon, 10/8/07 2:43 PM
Find	44.	A further increase in income tax or an increase in the sales tax rate under the pre-December 1 law is preferrable to a new tax on services.	Mon, 10/8/07 2:39 PM
Find	45.	Feel State Government should take closer look at structure of current government cost structure, "right size" the State Gov't first, then look at additional revenue sources instead of making the former the first step.	Mon, 10/8/07 2:05 PM
Find	46.	The sales tax burden will be shouldered by Michigan businesses and ultimately their customers - its regressive in nature and inevitably hits those least able to bear the burden.	Mon, 10/8/07 2:03 PM
Find	47.	Its not clear whether the new tax applies to my business. If it does, we will immediately begin assessing a relocation to another state. It will be impossible to pass this tax increase along to customers, resulting in a 6% top line hit that falls to the bottom line. This tax burden is unacceptable	Mon, 10/8/07 1:55 PM
Find	48.	The cost of implementing the new tax on services will be a significant burden to all Michigan businesses that are impacted by such tax. Also, this tax targets service businesses which are the types of businesses that we want to attract to our state. Unfortunately, this tax sends the wrong message to service businesses. I think services businesses will think again before deciding to relocate or expand in Michigan when they realize the significant burden that the tax on services will have.	Mon, 10/8/07 1:36 PM
Find	49.	Services tax will be very difficult to administer and police.	Mon, 10/8/07 1:32 PM
Find	50.	The only thing the governor did was replace one tax with another. Fiscal responsibility will never happen in politics because nobody in either party truly holds themselves accountable. We waste money without consequence for those who spend it. This tax will not balance the budget but drive business away. Also, what happened to the revenue from casinos to cover school budget deficits? Long forgotten.	Mon, 10/8/07 1:27 PM
Find	51.	Unfair to the clients who use these professional services. Will drive professionals from the state.	Mon, 10/8/07 1:22 PM

52. I am hopeful that the Michigan legislature and the Governor will come to a balace of reducing the costs of state government and limiting tax increases that might adversely impact the Michigan business competitiveness. Mon, 10/8/07 1:13 PM

Find 53. There are less and less people in Michigan that have jobs and now they must also, in addition to supporting unemployment taxes, welfare etc., pay higher taxes SOLELY because WE WORK. In the health care industry, as my services are, we CANNOT EVEN AFFORD THE SERVICE LET ALONE THE TAXES NOW! I cannot believe it comes down from years of spending abuses to tax increases as the ONLY answer. Our legislators and governor have let this state and ALL THE INDIVIDUALS WHO REMAIN HERE down! If I did my job of providing anesthesia the half-a-- way our legislators have performed, I'd be sued left and right; not to mention disasterous outcomes. Mon, 10/8/07 1:12 PM

Find 54. The current economic environment in the state of Michigan is the worst I have seen in the 35 years I have been a tax paying citizen. This is not the time to increase taxes making the problem worse, but it is the time to cut spending, reduce taxes and finally begin to attract businesses to this state. I have begun to expand my business, but unfortunately, it will not be in Michigan. Mon, 10/8/07 1:08 PM

Find 55. The imposition of this new tax on services further sets back our state in a very competitive environment Mon, 10/8/07 12:50 PM

Find 56. Significant long-term negative impact - at a time when we should be trying to attract new service businesses to move to Michigan, implmenting this service tax is suicide. Mon, 10/8/07 12:49 PM

Find 57. UNfortunately, we may have to accept higher sales tax on consumption, income or property taxes. Imposing a sales tax on services is not the anwser. The grovenor clearly does not understand how to attract businesses to Michigan but certainly knows how to push them out!! Mon, 10/8/07 12:48 PM

Find 58. This tax appears very difficult to administer. Mon, 10/8/07 12:47 PM

Find 59. The cost and complexity of compliance for the implementation of sales tax on services will be extremely detrimental for businesses. Mon, 10/8/07 12:42 PM

Find 60. Too complicated; too difficult to determine what is subject and what is not; not the way to attract business to Michigan Mon, 10/8/07 12:39 PM

Find 61. I was the CFO at a tier 1 Auto Supplier. When the volume decreased, I was forced to make cuts. I could not just increase our prices. Seem like the State should consider doing the same. Mon, 10/8/07 12:37 PM

Find 62. New tax is very confusing and dollars spent on enforcement of the new tax could be spent in better places. Also, service industry is one of the fast growing sectors for job growth and new tax has the potential to negatively impact job growth in Michigan Mon, 10/8/07 12:28 PM

Find 63. Administration will be a nightmare and there is no equity in how it was applied. Mon, 10/8/07 12:28 PM

Find 64. The idea that a new tax on services is "courageous" is ludicrous. It will not stimulate economic activity but, in fact, suppress it. The legislators and Governor are barking up the wrong tree. Instead of trying to reap as much as they can from the trees that are bearing fruit (the service industry), why not try clearing the forest of the dead trees (e.g wasteful government spending)? Mon, 10/8/07 12:24 PM

Find 65. I believe there are substantial opportunities to reduced spending by examining the programs and services the state government provides and most importantly the method in which they deliver them. There will never be enough revenue if these two items are left Mon, 10/8/07 12:23 PM

unchecked and I believe the government has a fiduciary responsibility to the citizens to make sure their tax dollars are use effectively and efficiently.

Find **66.** If new taxes are unavoidable, which I don't believe they are, why not just further increase the income tax. An additional sales tax will create administrative burden for business and will create another layer of administration for the state as they will need to hire auditors and other personnel to monitor compliance with the new tax. New revenue will be partially offset by more infrastructure in state government. Mon, 10/8/07 12:22 PM

Find **67.** This tax is going to especially hurt small businesses. This will serve to decrease their income (because many of their customers will refuse to absorb a 6% increase) as well as increasing the cost of compliance and increased complexity. Frankly, I would be more in favor of increasing the income tax, as long as there is a sunset provision on the income tax increase, and rescind the new sales tax. This is a horrible tax and a horrible mistake for our state's economy! Mon, 10/8/07 12:21 PM

Find **68.** Many service providers will accept cash and not collect the service tax. Additional undue burdun to business to have someone collect, account and complete forms for this new tax Mon, 10/8/07 12:19 PM

Find **69.** Any additional cost from this including the expected administrative burden will negatively impact our ability to continue our current hiring levels. Mon, 10/8/07 12:18 PM

Find **70.** sales tax on services not only will harm the types of high wage, high tech companies we want to bring to MI it will also continue to perpetutate the old line manufacturing base. While the Manufacturing base is important to Michigan's economy so too is the service sector, which brings high paying jobs to the state and therefore brings additional people to the state to live and visit for tourism. Mon, 10/8/07 12:14 PM

Find **71.** The sales tax on services (as well as the state's plan to levy the MBT on high net worth individuals) shows a total lack of understanding of how individuals will react to the new taxes. Much of the projected revenue from these taxes is expected to come from high net worth individuals. If the taxes stand as proposed, many (if not most) of these individuals will become residents of another state (most likely FL where many already have a second home). The state of MI will not get the sales tax on the services provided by the MI businesses to these "non-residents", they will not get any MBT revenue, and they will lose the income tax that they are currently recieving from these individuals. For many of these people, thei change is residency can be accomplished with very little change to their lifestyle since they spend 5 to 6 months in each state at this time. FL and no income or intangible tax. The high net worth crowd will not stand for the combined tax burden (income + MBT) of >10% on their investment income when they can become FL residents and pay nothing. Michigan could have probably raised the income tax to 5% without sparking this reaction -it is the classic case of the pigs get fat and the hogs get slaughtered. By getting greedy and trying to levy the MBT on individuals (rather than just businesses which has been the tradition under the SBT, MI will lose the income tax revenue that they have been collecting from these people. The sales tax on services (including their investment advisors) is the final slap in the face. Mon, 10/8/07 12:11 PM

Find **72.** They need to make significant spending cuts before increasing taxes. If run like a business, I am certain the State could get its work done with no more than 60% of its current work force...how much would that save in payroll ?? Mon, 10/8/07 12:11 PM

Find **73.** This "business-to-business" tax makes Michigan so much less competitive than other States. This tax will stifle business investment in this state. In fact, this new tax is an incentive for businesses to leave Michigan. Mon, 10/8/07 12:07 PM

	74.	The new tax will be very costly to administer.	Mon, 10/8/07 12:06 PM
Find	75.	As a professional and a business owner, I can tell you that the new services tax will be very difficult and impractical to implement. The law as passed is very complicated to understand and requires considerable judgement in determining whether certain activities were intended to be taxed or not. The law as passed adds a new level of complexity to business operations in Michigan and will significantly drive up the cost of doing business in Michigan. The investments necessary to create the infrastructure in State government to administer this new law and the investments necessary by business owners to comply with this new law severely outweigh the benefits of this new tax. Business has always been challenging, and adding more layers of tax and compliance, which add no value to a business, is the wrong message to be sending to our business owners. This law makes it harder for Michigan business owners and job providers to be competitive and it threatens to drive business out of Michigan. I understand that the State faces a very tough budget challenge. However, the new tax on services is not the answer.	Mon, 10/8/07 12:04 PM
Find	76.	There are two primary reasons that the tax on business services will be unnecesarily complex: 1. Nexus isues... multi-state and location business will have issues sources service revenue to the proper location. 2. SIC/NAICS clarity: Certain services will meet the definition of both exempt and taxable services. This will cause substantial consumer and business confusion	Mon, 10/8/07 12:02 PM
Find	77.	There are two primary reasons that the tax on business services will be unnecesarily complex: 1. Nexus isues... multi-state and location business will have issues sources service revenue to the proper location. 2. SIC/NAICS clarity: Certain services will meet the definition of both exempt and taxable services. This will cause substantial consumer and business confusion	Mon, 10/8/07 12:02 PM
Find	78.	sales tax was a poor choice for revenue enhancement---virtually impossible to admionistrate and insure you are in compliance with the law	Mon, 10/8/07 12:00 PM
Find	79.	Terrible decision made by the legislature and the governor. The bottom line is the sales tax negatively impacts Michigan businesses providing services...it hurts Michigan business!	Mon, 10/8/07 12:00 PM
Find	80.	There are also savings from process improvements that can be realized if the state commits to comprehensive review and actions to reduce costs without necessarily cutting services.	Mon, 10/8/07 12:00 PM
Find	81.	The compliance aspect of the expanded sales tax will significantly harm many businesses that are not currently equipped to handle such compliance, i.e. additional personnel and accounting costs.	Mon, 10/8/07 11:59 AM
Find	82.	This is a colossal mistake - implementation costs alone are going to be a very big problem for our business.	Mon, 10/8/07 11:57 AM
Find	83.	Extremely difficult to administer and seems unfair in that many service groups avoided the tax entirely. How were the services selected that are now subject to the tax?	Mon, 10/8/07 11:57 AM
Find	84.	The new sales tax will put too much of a burden on small businesses throughout the state and will make compliance very difficult. If the idea was to help Michigan businesses, this tax did the opposite.	Mon, 10/8/07 11:55 AM
Find	85.	If they stick with these taxes, I'm out of here.	Mon, 10/8/07 11:30 AM
Find	86.	If they stick with these taxes, I'm out of here.	Mon, 10/8/07 11:29 AM
	87.	I believe if you are going to budget, look at where unnecessary spending comes into play.	Mon, 10/8/07 9:58 AM

How much money in wages are wasted for the economy to fail again?? If any services should be taxed, it should be services that do service in high volume, such as golf courses, I highly doubt a fortune teller can match that.

Find	88.	Bottom line, in this state with this economy, some of these new taxes will come right off the bottom line. It sure doesn't make us business friendly to attract new investment.	Mon, 10/8/07 8:59 AM
Find	89.	This state needs to do something that is going to bring in business and NOT Force business out.	Mon, 10/8/07 7:36 AM
Find	90.	Ask the Govenor why she went all over the world to attract new businesses to Michigan and then raises the taxes... Were her trips a good use of our tax dollars?	Mon, 10/8/07 7:20 AM
Find	91.	If the service tax does go through it should be on ALL services. I think an extra tax on sodas, liquor, cigarettes,etc(things people buy most of yet aren't good for them and they can live without), would make more sense and more money!	Mon, 10/8/07 6:12 AM
Find	92.	The state needs to follow the same direction we take at our business - if your income is down, you need to cut expenses. The state needs to understand how difficult it is for small businesses to survive right now.	Mon, 10/8/07 5:47 AM
Find	93.	less taxes ..more spending cuts	Mon, 10/8/07 5:12 AM
Find	94.	I question if the costs to implement the new sales tax will outweigh the revenue. I'm a firm believer that more spending can be cut in Lansing. Also, I'd like to know why Jenny's husband needs a staff of three people to help him....do what? In addition, why are the government salaries (admin asst $40-$50K; supervisor mid-$90K) at par or MORE than private industry?	Mon, 10/8/07 4:47 AM
Find	95.	I will move my company out of state before getting undercut by my competion offering consulting services with out the sales tax from out of state.	Sun, 10/7/07 6:38 PM
Find	96.	Our economy has dramatically changed. We are a service economy as the auto companies struggle for not having read the global economic signs that were clearly before them at least 20 years ago! Michigan can no longer depend on "things" to support our economy. We must tax services. What's the big deal? What's all the whining? Face up to a changed economy. We're not talking about a huge tax.	Sun, 10/7/07 6:03 PM
Find	97.	We need to cut state employee compensation and benefits to not more than the US aversge. We need to get rid of "Mr. Granholm's" three state-paid administrative assistants. We need to cut out the sickening waste in the public school system - I see it first hand.	Sun, 10/7/07 10:14 AM
Find	98.	The Mackinac Center for Public Policy lists more than enough reasonable ways to reduce the deficiet. If the govenor feels she has to raise taxes, let her raise it on liquor and beer - something that hasn't been done in over 30 years. And then lets RECALL HER before she damages this state even further.	Sun, 10/7/07 8:02 AM
Find	99.	State must STOP spending!!! With this stupid package more people will leave, less revenue will be aquired, and finally we will right back again next year to raise taxes again. Maybe they should tax air by the number of breaths we take per minute.	Sun, 10/7/07 5:47 AM
Find	100.	Perhaps I don't understand the distinction, but it seems somewhat better to tax sales than income because sales go to out-of state tourists as well as in-state folks, and because sales tax can be made to exclude essentials like food, while income tax does not. Then, once the decision is made to tax sales, I'm not sure why hard products should be taxed and not services. Are cars, less essential than tanning or tattoos? We make and sell hard products, so I'm somewhat miffed that The Chamber does not mind seeing us taxed 6%	Sat, 10/6/07 11:12 PM

while objecting to tanning salons taxed 6%. And now that tanning salons are taxed, I still don't know why anyone drew the line at them and decided that tattoo parlors were still excluded. How are they more essential than tanning? At first glance, I'd like to see a uniform sales tax that includes most hard goods and most service providers, with a very few exemptions for fundamentals, like food, and very small businesses, like baby sitters and lawn cutters making less than $2000/year, say. I'd also exclude business-to-business transactions since, presumably the tax for these services will show up in the price the final customer pays for the hard product or service. I read the paper to see if lawyers, doctors and accountants were taxed too, but discovered they were not. If these folks can't handle the details of paying sales tax, no one can. They are no stupider than pizza store owners, and folks who sell hot-dogs from push carts, and (from what I hear) they are often frequented by folks from out of state, or Canada. If so, I'd think we should let the out-of-state customers contribute to the state police like the in-sate folks do. If the Detroit Chamber decided to fight for lower taxes, I'd understand, but I don't understand why they've chosen to prefer taxing in-state folks to tourists. Nor do I see why the favor an income tax to a sales tax, or why they've chosen to prefer a non-uniform sales tax to a more-uniform one. Does the Camber maintain that tattooists, lawyers, accountants, doctors and consultants so underpaid that they must be supported by the rest of the residents? Do we really feel any cut in the number of their billed hours will ruin Michigan's prosperity or cause them to leave the state for zero-sales tax states like Delaware and Alaska? If the Detroit chamber feels this is the case, I'd like to hear them make the argument for it in the Detroiter magazine. Otherwise, I still don't see why you've risen up to protect these proprietors from a tax you've accepted for manufacturers and retailers. Thank you for your time with me.

Find **101.** I would support eliminating all taxes most importantly personal proprty taxes and insitute a 7-10 % Sales tax on everything, including food. this would be fairest way to tax people. Small Business and Property owners are the only ones paying taxes. A flat sales tax on everything is fair. Sat, 10/6/07 9:27 PM

Find **102.** Let's move on. This debate has to end so the state can begin to recover. Friday's NPR afternoon news spotlighted the single-state recession in Michigan. The state needs to return to its spot at the top. California did it in a few years after the Dot.com bust. It took leadership and economic restructuring. Let's move on. Sat, 10/6/07 6:01 PM

Find **103.** Find a new way to create revenue: Charge out of state hunters/fishers more for their licenses. Add tollways coming into the state like other staes have. Sat, 10/6/07 8:44 AM

Find **104.** The new taxes are a form of irresponsible and vendictive burdens put on our younger people and the work force in general.We are dominated by poor leadership, no direction, a governor with Detroit connections to inhance reelection. This the pooresst run government in the U.S. State employees should have the same paycuts that we are enduring, send the politicians home ,only need part-time people in Lansing. Cut their retirement benefits, wages, and health care so everyone is on the same playing field and then additional taxation will have more meaning. Be you Democreat or Republication we have some of the poorest leadership , no statesman with integrity or common sence. The general attitude is as long as we have a Taxpayor left we can do what we want to protect ourselves and to hell with all others. What was offered the two remaining politicians to change there vote , by the Governor? She has sold us down the river. Sat, 10/6/07 7:13 AM

Find **105.** We've shifted to a service economy. No sense for sales tax just on products but not on services. Unfortunate that the impact only applied to certain services, with not a lot of Fri, 10/5/07 7:10 PM

rationality behind the choices. It would have been better to have exapnded the sales tax to all services, and then set the rate for services and goods at however much lower than 6% would have generated the same revenue as coming from this package. Then there could have been an exemption on sales tax at each step of the purchase chain and just hav it levied at the final sale. That's how it's done for sales tax on products; that would make sense for application to services.

Find **106.** Why dont we sell the state owned ski lodges in the U.P. and knock off the stupid Swine Quiz the state puts on every year....hell tax toilet paper.....everyone uses it! Fri, 10/5/07 6:57 PM

Find **107.** I am not sure if I would support efforts to replace the sales tax on services with more spending cuts-it would depend on which services. How about 6.5% sales tax instead of 6% except on food so it doesn't impact the poor. Fri, 10/5/07 1:26 PM

Find **108.** Here in Michigan small business owners, as well as the consumers cannot bear the responsibility of continued government mismanagement. We already have enough burden. I think that the political representatives of this great state including the governor should not get paid until the budget is balanced. We are all in it together-I haven't seen or heard of any of the legislators giving in. Fri, 10/5/07 1:12 PM

Find **109.** Recall Jennifer Granholm. Fri, 10/5/07 12:50 PM

Find **110.** Though my small business is not taxed, I can see that many of the businesses that will be taxed are small business just like mine. $2-$3 added on to the bill may make the difference whether buyers will purchase the service. Our state is already burdened with lay-offs and lost jobs. Many of those people, like me, have started their own small business. Adding the extra burden of collecting and paying sales tax (paper work as well as cost burden) just causes more difficulty. Our legislators just need to learn how to cut the budget, like I have had to do, in order to manage on the money I make. Wish I could pass on my 'spending habit' to those I service. Fri, 10/5/07 11:32 AM

Find **111.** I do not agree with the sales tax on services along with increasing the Michigan income tax rate. Michigan can not afford to lose any small businesses to other states. Period! Fri, 10/5/07 11:05 AM

Find **112.** Expanded sales taxes to businesses will keep other businesses from wanting to come to Michigan. I think that after the automotive companies are stabalized things will start to turn around. By increasing business taxes will just prolonge the recovery period by pushing possible businesses away. Fri, 10/5/07 10:09 AM

Find **113.** I don't agree with any tax on services. If they are going to put a tax on services, then they should put the tax on all services, which would reduce the percentage of tax they would need to collect. Fri, 10/5/07 9:39 AM

Find **114.** I dont approved of the service industry getting hit for taxes. Work on the larger corporations not the small businesses. Let them pay more taxes and or increase your sales tax for everyone in MI to 7% opposed to 6%... Fri, 10/5/07 9:38 AM

Find **115.** It is amazing to me that the CPA's, politicians and the attorney's are exempt from this tax. Majority of non-government workers in Michigan are getting their incomes and benefits reduced due the the hard times and the mounting legacy costs. In order for this state to get back on track, everyone must sacrifice, including the politicians. They must cut government spending to include their own benefits and wages, like everyone else. This tax, like all taxes, will be passed on to the consumers whom cannot afford further finacial burdens. No different than the casinos....revenue generated off the backs of people that need the most relief. Fri, 10/5/07 9:05 AM

	116. Lansing is out of control. They do not understand the impact of their decisions. I am very dissappointed with the decisions made about taxes in this poor economy in Michigan.	Fri, 10/5/07 8:29 AM
Find	**117.** The new tax stinks..will be hard to enforce, and costly for the government to oversee and collect. It's all about the SPENDING. The governor and legislature should CUT SPENDING PERIOD.	Fri, 10/5/07 8:24 AM
Find	**118.** Tax the shoeshine guy at the golf course but not the golfers. How mean can you get? I'm totaly disgusted with the whole bunch!!! How many state owned cars are perks to people in state government? I say impeach the whole bunch. Carl in Livonia	Fri, 10/5/07 8:14 AM
Find	**119.** I would also support recalling the Governor. How about the Chamber getting behind this movement. She is killing this state in the worst possible ways. She does not get it!	Fri, 10/5/07 7:57 AM
Find	**120.** This is an extremely regressive tax - adds loads of administrative burden on both small business and state government to keep track of it! Repeal it NOW.	Fri, 10/5/07 7:47 AM
Find	**121.** Taxing skiing but not Golf? Tax manicures but not haircuts? The whole setup is arbitrary and capricious. The list of items that we were going to miss during a government shutdown was full of stuff that the government should not be involved with in the first place. Cutting spending should be easy!!!	Fri, 10/5/07 7:28 AM
Find	**122.** This new tax will not only create an unfair advantage for out-of-state companies competing with companies based in Michigan, (which will eventually lead to MORE companies leaving Michigan), but I believe it will not solve the budget deficit as legislators are over-predicting how much revenue the sales tax will generate. With a deficit this large, we are relying to heavily on tax increases to bail us out. There is no way of predicting how much revenue these tax increases will bring in, and over-estimating revenue is only going to make the budget deficit even worse. The only real solution that is controllable for our state is to make more sensible budget cuts.	Fri, 10/5/07 7:24 AM
Find	**123.** This service tax is the most ilconcieved tax I have ever seen	Fri, 10/5/07 7:17 AM
Find	**124.** I am a one person consulting business and I have contracts at certain rate --- I probably will not be able to renegotiate to include the 6% since the major contract is with the US Army. I would also support a much lower rate like 2% on all services --not just the currently unfairly selected services Duncan Consulting LLC	Fri, 10/5/07 7:15 AM
Find	**125.** FIRE ALL THE POLITITIONS!! STOP ALL OF THIER BENIFITS!! LETS START FROM SCRATCH AND GET IT RIGHT THIS TIME!!!!!	Fri, 10/5/07 7:08 AM
Find	**126.** I would support a smaller tax that is fairly distributed. The proposed tax hits small busineses & those without political clout in Lansing & is hugely unfair.	Fri, 10/5/07 6:59 AM
Find	**127.** This is an attorney's office which, for now, is exempt from the new tax on services, however it is possible that this new tax could be expanded in the future to include attorney services. We don't expect this to have an adverse impact on our business at the present, but given the economy this tax could have an adverse effect on our business in the future.	Fri, 10/5/07 6:58 AM
Find	**128.** I am more concerned about the new MBT tax that will likely more than double my corporate taxes I expect many Companies to be shocked by how much their new MBT liability is as compared to the old SBT liability.	Fri, 10/5/07 6:27 AM
Find	**129.** Unbelievable, how can you survive in this state is beyond me. Who will pay?	Fri, 10/5/07 6:25 AM
Find	**130.** It looks like Management Consultants will be taxed, however, other classificiations (like CPA's) who might perform some of the same services we do, will not be taxed. This will	Fri, 10/5/07 6:21 AM

give them a price advantage over our business

Find **131.** as any family or business during hard times you must cut overhead. The State has failed to do this, Channel 7 I believe Sunday night had a great overview of the wages paid to the State workers from Receptionist to Supervisor, and they were 18% higher then the commerical sector. This shows the disconnect with the real world economic situation we have in Michigan, that Families and Business has to work under, and that of the State. It is time to right size the State. It is time to call for the recall of the Gov. Fri, 10/5/07 6:16 AM

Find **132.** We should balance the budget by cuts only - we should not increase taxes to balance the budget -- Taxes will only drive more businesses out of Michigan Fri, 10/5/07 6:09 AM

Find **133.** Yor #3 is too black and white and needs to be looked at within a whole picture. the legiskature and Govenor,both, are too timid to to do the major overhauling necessary to make Michigan better. Long term is better to concentrate on then short term solutions. Fri, 10/5/07 6:02 AM

Find **134.** We need more spending cuts. We should cut the number and kind of units of government, make a part-time legislature, repeal term limits, and bring pensions and benefits for public employees and elected officials into line with private industry. I don't like the thought of paying more for cross-country skiing, for my personal trainer, and for investment advisors, but I don't like to be taxed on a restaurant meal either, and that seems like a service to me (I didn't have to cook!). Our state government really dropped the ball on this issue; they should not be picking winners and losers, but should be making the entire tax system RATIONAL, FAIR and SIMPLE. I do not mind paying taxes as long as I feel confident that they're being reasonably and carefully spent for the good of Michiganians. We are all ill-served by this current government. Fri, 10/5/07 5:58 AM

Find **135.** If this is the only way to get Michigan back on track, I think everyone needs to support it. I dislike the fact that I will spend more to live in Michigan (it's just not worth it at this point) but I don't see an alternative solution. And we need to become profitable, and place where people want to stay. Fri, 10/5/07 5:56 AM

Find **136.** As the economy shifts to services the tax is inevitable. I hate to pay taxes as anybody else but without taxes we won't have reads, bridges and a high education system. The real issue is fairness. The outright opposition to any tax and the inevitable cuts in education is economic suicide. Fri, 10/5/07 5:54 AM

Find **137.** If we are stuck with the tax it should be on ALL services including the big boys (sports, etc), not just the little guys like the baby shoe bronzing business. Fri, 10/5/07 5:45 AM

Find **138.** We are a State on the brink of dispair. Cuts in spending only impact the poor. Increasing taxes to service not currently taxed will generate much needed revenue and will be shared by all Michiganders. Which is as it should be. Fri, 10/5/07 5:11 AM

Find **139.** If we would all quit asking the government to do everything for us, we would not be faced with increased taxes to pay for all those services. Fri, 10/5/07 5:08 AM

Find **140.** Raising taxes will not help to stimulate our already struggling economy. How can Michigan attract more business if they will be taxed on services? This is a very shortsighted solution to the budget problem. Fri, 10/5/07 5:04 AM

Find **141.** The state is so stressed now!!! We need to cut state program's, Too much free handouts these days. I work and bust my butt to just stay ahead and we keep getting hit. The harder we work the more we are penalized. Why try any more.... Fri, 10/5/07 4:44 AM

Find **142.** Expanding the sales tax will, ultimately, cause my business to eliminate staff in the Fri, 10/5/07 4:43 AM

services that I provide (commercial real estate management) in janitorial, security, etc. The governor and legislature have put forth a terrible plan that is out of touch with the ecomonic reality in Michigan by penalizing the people that have not given-up on living/working here. This additional financial burden will only make things worse; our "leaders" in the state should be ashamed of themselves

Find **143.** this arrangement will cause unnecessary confusion and admin burden on many people. It will require more state auditors to enforce- thus reducing, possibly eliminating the revenue generated. Fri, 10/5/07 4:07 AM

Find **144.** THey should be taxing sporting and concert events as well as golfing. They will never tax golf, though, because to many politicians play golf. They don't even want to pay an additional tax to make budget. If they don't want to pay an additional tax, why should business? Fri, 10/5/07 4:04 AM

Find **145.** Michigan's economy is painfully shifting to one in which wealth is based in intellectual as much as physical capital. We desperately need a tax system that reflects this new reality. Cuts to the state budget are not reasonable at this point. We have a dire need for investment in economic development, urban redevelopment and the foundations of talent for the new economy (e.g. primary and seconday education). We are not going to cut our way out of our current challenges. It's time for everyone in Michigan (consumers and businesses alike) to pitch in a littel bit extra to restore our prosperity. Thu, 10/4/07 8:27 PM

Find **146.** The new sales tax will result in less business for Michigan's struggling entreprenuers. When you raise the price of a product, the sales of the product usually decrease. The same concept applies to taxes. If you tax the people, they will buy less and you have less tax revenue. This tax makes no sense. Thu, 10/4/07 7:57 PM

Find **147.** I believe taxing services, is the same as taxing products. It should happen. I support taxing these service, and reducing overall sales taxes on all products by a percentage point, reducing the burden paid by retail businesses in Michigan Thu, 10/4/07 7:31 PM

Find **148.** If we have to increase taxes, increase sales tax... Then we can control it. Thu, 10/4/07 7:26 PM

Find **149.** If spending cuts are not feasible. I would support an increase in the existing sales tax only. It foolish to create a new tax. How will the state administer and enforce it? What about the additional administrative and financial burden on small businesses who are struggling just to stay alive? A slight increase in a tax that's already in place will cause less heartache and misery for consumers and businesses. The governor and legisilture should be ashamed for their lack of foresight and creativity. Thu, 10/4/07 6:52 PM

Find **150.** The Service tax will not only effect the businesses that it seeks to impose this on, but all consumers. Each business will have to pass this tax on through to their customers. The state should have done a better job cutting spending. For example,Michigan is one of only 2 states that will not put a moratorium on perpetual welfare. Why not? Encouraging people not to work is a much better strategy for Michigans economy. Thanks Jenny. Thank You. Thu, 10/4/07 6:47 PM

Find **151.** It is extremely unfortunate that our legislators stuck this tax increase on such an unrepresented segment of our business community. As a practicing CPA, how am I going to explain this new law to a small business owner so that they can understand and comply properly? Here is a new tax idea. Cut all(business and residential) property taxes by 50% and make up the difference with a graduated income tax. This would lower property taxes for all, increase property values and make Michigan a more attractive place to live and do business. Take a look at some other jurisdictions and you will see higher individual and Thu, 10/4/07 6:41 PM

corporate income taxes but much lower property taxes. This allows people to purchase and/or stay in their houses, while recouping the lost property taxes via an increase in income taxes, which is paid by those more able to afford the higher income tax.

Find **152.** This really sucks. Only in Michigan, seven years into recession will you find government raising taxes in a decling economy. Granholm sucks, Democrats Suck. If you have any questions or comments please contact me directly Paul J Gambka, CPA — Thu, 10/4/07 6:00 PM

Find **153.** This tax will result in more businesses leaving Michigan. Thereby, reducing the number of jobs in the State. It focuses on small business and the service industry. This is a growth industry. Additional taxes send the wrong message to those seeking to come to Michigan and conduct business. — Thu, 10/4/07 5:45 PM

Find **154.** THE GOVERNOR AND LEGISLATORS HAVE BARELY SCRATCHED THE SURFACE OF CUTS TO BE MADE. wHAT MAKES THEM THINK THEY ARE ANY DIFFERENT THAN PRIVATE INDUSTRY/BUSSINESS AND CAN AVOID ANY CUTS OR WAGE CUTS AND MERELY ASK THE TAXPAYERS FOR MORE...MORE...MORE. WHAT,S GOINGTO HAPPEN WHEN THEY TAKE IT ALL AND IT STILL ISN'T ENOUGH — Thu, 10/4/07 5:39 PM

Find **155.** 1. no 2. no 3. no 4.no — Thu, 10/4/07 4:54 PM

Find **156.** I would rather have seen the taxes be evenly distributed and that the present tax that we have of 6% be increased by 1/2%...that way everyone shares in the raising of funds for the support of the state. — Thu, 10/4/07 4:40 PM

Find **157.** I am considering how I can move my business to another state that is less penalizing to small business. We already do a lot of work outside of Michigan. We may consider using Attorney's and CPA's out of sate and any other service we can. We are directly affect as we are consultants. That means we have to raise our rates effectively 6% without earning a dime. Or we have to take a cut in income - not sure which it will at this point. Obviously the market will determine that. — Thu, 10/4/07 4:39 PM

Find **158.** The expansion of the tax effects businesses that can least afford it. The economy is already slow and personal service professionals are suffering more than those who serve larger volumes of customers. — Thu, 10/4/07 4:34 PM

Find **159.** My answer to number 3 depends on where the spending cuts occur. — Thu, 10/4/07 4:05 PM

Find **160.** This will affect small businesses the most who can least afford it. Interior Design Firms and small salons and other "boutique" type businesses - the unfortunate 500 as some would say. Massage parlors, interior designs, hair salons that do colorings and nails other "discretionary" services will be the first thing axed from a regular family income if it costs an extra 6%. Instead, uncoifed families with sore backs and poorly designed homes will struggle to head north one weekend this winter to ski at Boyne since it is not taxed. When the fall down on the slopes, their backs will be even more sore and their hair completely unpermed from the fall. Things will get very busy in Chapter 11 bankruptcy court....stay tuned! — Thu, 10/4/07 3:51 PM

Find **161.** I believe that the state has about a 40 Billion budget. They need to cut about 1.5 billion out. My company has dropped 25% in sales since 2000 and i had to make some unpleasant decision to us in business. They should be able to do the same. — Thu, 10/4/07 2:24 PM

Find **162.** Raising taxes is pretty dumb in the current environment in Michigan! — Thu, 10/4/07 2:16 PM

Find **163.** The money has to come from somehwere and it can't be the poor or working poor. If we can afford personal services I do not see the problem in paying to stabilize the enconomy. I — Thu, 10/4/07 2:08 PM

experience excellent services in Oakland County and I do not want to change that. I am also involved and familiar with many programs that help those in need. There are so many in need I can't even imagine cutting those services and creating more needy families, seniors, children or the disabled. Common sense tells me this. My theory is if you know all of the facts and you can offer a better solution I am sure the powers that be would love to hear them. The other solution is this, increase sales tax across the board and everyone pays. Don't complain unless you have a better logical solution and try it at home first. Sharon Chess Ferndale

Find **164.** The sales tax on business services will further erode Michigan job competitiveness at a crucial time. Thu, 10/4/07 2:05 PM

Find **165.** I feel that the legislature should have been working on this issue for the past year. They waited until the last minute and no new ideas came up so they decided to increase taxes. The economy in Michigan is already so poor that these new taxes are just going to cause more issues and frustration for people. Thu, 10/4/07 2:05 PM

Find **166.** When revenue drops for either our business or family, we have to make sometimes painful changes in our spending priorities; why does the state government think they're immune to this very basic economic principle. With the approval of these new service taxes, the government is adding yet another administrative and economic burden to small businesses which provide the majority of jobs for our citizens. Why doesn't the state government model its budget after Oakland County? Thu, 10/4/07 1:58 PM

Find **167.** The list does not make sense, so it is unfair. Why would skiing be taxed and golf not?? Until it makes sense and is fair to the consumers; I would not support any service tax. Thu, 10/4/07 1:58 PM

Find **168.** The sales tax on services is not clear and, as it stands, not competitive with other states. Businesses in Michigan will be at a significant disadvantage. Thu, 10/4/07 1:57 PM

Find **169.** This new service tax will cost my business over 200k per year. Thu, 10/4/07 1:55 PM

Find **170.** Anyone with a brain knows that this inane tax will drive both small and big business out of the state. I have always been of the opinion that most people can not plan more than one step at a time and this is proof of my low opinion. The Granholm morons are bums! Anyone that hasn't calculated that Chrysler isn't at this moment considering moving the corporate offices out of state is just as stupid as the fools in Washington state just before Boeing left for Chicago. If this stupidity sticks watch the states of Ohio, Indiana and Ontario tap dance with joy. Those States want the high paying jobs and the folks with brains and those are the very jobs that will leave the state of confusion... Michigan. Thanks Jenny and thanks to all the morons that voted her in. Thu, 10/4/07 1:53 PM

Find **171.** The current "plan" is complicated and confusing as to what is or isn't taxable. To include some and exclude others makes no sense. Enforcement will be problematic - the "underground cash" economy which pays no taxes may well increase to avoid the hassles Thu, 10/4/07 1:49 PM

Find **172.** The tax, based on my limited understanding tends to apply to certain related services, but not to others. The tax, and the continuous lack of leadership in our state has forced us to consider all future business and investment in other geographic areas. There is no consistency or continuity upon which to build a solid business base. Thu, 10/4/07 1:44 PM

Find **173.** I am an owner of a small hair, nail, and tanning salon in the thumb area. People can hardly afford my services right now--placing another 6% will be enough to make them forget the entire thing. I am only operating on a shoe-string, this will be enough to run me out of business. Thu, 10/4/07 1:41 PM

174. Spending Cuts would be a better way of solving the problem. We are already in a bad financial state in Michigan. These are the people trying to get through these tough times. Thu, 10/4/07 1:35 PM

Find 175. Although our service business is excluded from the sales tax, I am concerned about the following items: 1) The list of taxed services lacks rationale, and leads to potential confusion (and fairness questions) about what is taxed and what isn't; 2) Once you start taxing services, it is very easy to selectively increase which services get added to the list (after all, if they are added one or two at a time, no large constituency is available to oppose - "united we stand, divided we fall"); 3) I'm left with the sense that my industry dodged the bullet this time, but the list will be expanded as time goes on, because the legislature doesn't have the discipline to manage its spending. Thu, 10/4/07 1:33 PM

Find 176. Is this want Granholm meant in the "We'll be blown away" campaign? My business may be blown right out of the state of Michigan! Thu, 10/4/07 1:32 PM

Find 177. This will be detrimental to my business. Why would a business in Michigan pay a 6% premium on my services (management consulting) when they could pay 6% less by using a non-Michigan consulting firm? We also do training; is training non taxable, but consulting taxable? Where's the line? Do I have to add more staff for the additional admin, when my business will be negatively impacted? Thu, 10/4/07 1:30 PM

Find 178. Small businesses cannot be expected to grow and thrive in Michigan when their profits are being taxed away - this is not something most small service businesses can pass onto their clients without losing business. Thu, 10/4/07 1:25 PM

Find 179. I think we need a governor who would run this state like a for-profit business. Granholm inherited a mess and managed to make that mess into a disaster. She appears to listen to the poor advice from her close advisers instead of using original ideas, she can't manage a budget and has truly "blown us away!" I hope this gets on her desk Thu, 10/4/07 1:20 PM

Find 180. Just raise the personal income tax to 4.7%. Easier to administer and does not target business. Thu, 10/4/07 1:17 PM

Find 181. RAISE THE TAXES ON IMPORTS. WHATEVER THE SHORT FALL IS HAVE CHINA, KOREA, MEXICO, INDONESIA, TAWAIN, SINCE THEY DONT ANYTHING FOR LABOR LET THEM PAY HIGHER IMPORT TAXES. LET CREATE A "IF NOT MADE IN USA" YOU HAVE EN COMPONENT TAX SAY IF 50% IS IMPORT THEN YOU PAY X. IF ITS 30% IMPORT PART THEN YOU PAY X AMOUNT THIS WOULD INCOURAGE MORE JOBS IN THE GOOD OLD USA. Thu, 10/4/07 1:15 PM

Find 182. The problem will be that most "services" are provided by the small or independent business owners who are already hanging by a thread to keep their businesses open. Trying to collect, track and remit these taxes are going to add additional costs to running my business and will increase my book keeping and accounting costs. Many small business owners are already living paycheck to paycheck and it will be a challenge for them to escrow the taxes to submit them to the state. I foresee that many of the businesses will quickly become indebted to the state for taxes owed and in the end it will bankrupt their businesses and ruin them financially. Small busiensses do not have CFO's and in house accountants to handle many of the daily efforts necessary to manage this this. In addition, the state is now going to have to increase their staff to "police" and audit small business to ensure they are paying the taxes. This is absolutely the WORST time to initiate this. The people who "afford" the services being taxed are better off having the extra taxes collected on an income level. I think the current 6% sales tax should be increased on the consumables as the tourist industry and people spending on things that are typically luxury Thu, 10/4/07 1:14 PM

items can bear the brunt of this.

Find **183.** RECALL ALL THAT VOTED FOR A TAX INCREASE OF ANY KIND Thu, 10/4/07 1:14 PM

Find **184.** Who is in charge, and where have they been, the govt MUST get their people and program costs under control-shame on the Republican who choose to vote for this idiotic tax increase. This great State deserves better than this. Thu, 10/4/07 1:09 PM

Find **185.** The sales tax on services is a negative for michigan. I'd rather have more aggressive cuts and/or a slightly higher income tax increase. Thu, 10/4/07 1:08 PM

Find **186.** I think the government should look at all the health care and guaranteed pension packages they receive at the expense of the people and start cutting there. The non government people have to budget their own money for funding their own retirement. If the people are making sacrifices and cuts, our leaders in the state should be sharing the burden too. Thu, 10/4/07 1:08 PM

Find **187.** Many jobs have been lost to downsizing, early buyouts and bankruptcies. These impacted workers are faced with a diminishing job market and, as an alternative, are starting consulting practices using their expertise. Not only have they faced the hurdle of reinventing themselves and their lives if they want to stay in Michigan, now they are forced to pay a tax on service especially if starting a consulting practice often using their much-needed talents. It is difficult enough when an individual experiences career transition. Michigan's Government needs to remove this barrier to consulting practices and begin to help our economy thrive. If not, this talent will leave this state once and for all. Thu, 10/4/07 1:07 PM

Find **188.** The states customer base, i.e. people living here, has gotten a lot smaller. It should cost less to service those customers. Expense cuts need to be real not simply increasing expenses less than what they were planned to be increased by. Thu, 10/4/07 1:01 PM

Find **189.** It seems to be a shame that the legislature did not find a way to address the budget issues in conjunction with the SBT replacement. Thu, 10/4/07 12:59 PM

Find **190.** Cuts such as the amount of broadcast for the Michigan television spots might be in order, as it was announced that area has an exponential budget increase, I guess the agency in charge of our State of Michigan marketing missed the class on the law of diminishing return. Just throwing more spots on television will not mean more people will locate here or travel here. Thu, 10/4/07 12:59 PM

Find **191.** We couldn't expect to do away with the small business tax and not have a new tax on something. We've cut the budget enough - its where the money is going to now that needs to be looked at - I'm for better oversight and efficient use of tax dollars, not for cutting funding from services that do as much to keep us afloat and allow us to start businesses. We're a service based economy in Michigan (and the country for that matter), our tax structure is finally righting itself to that reality. Thu, 10/4/07 12:56 PM

Find **192.** The state should enforce the tax collection it has on the books. Revenue is not being properly assessed or collected from businesses that should and can pay it. Thu, 10/4/07 12:56 PM

Find **193.** Read my Lips: NO NEW TAXES!! Thu, 10/4/07 12:55 PM

Find **194.** I cannot see how they will be able to monitor the collection and remittance of the taxes. Most small service business can barely file their personal taxes, will they provide free training? I could just see my hair dresser & lawn service trying to keep track its a joke. Michigan can not afford ANY type of tax increase. What they are doing is putting more burden on the few that still have jobs to make up for the lower tax collection. As long as we continue to lose jobs, government will continue to lose revenue. Thu, 10/4/07 12:54 PM

195. It is absolutely insane that the folks in Lansing are raising personal incomes taxes and sales taxes at a time like this. Very disturbing. They clearly don't understand basic economics. Also, I guarantee that the number of services subject to the sales tax will expand in upcoming years!! Thu, 10/4/07 12:52 PM

Find 196. This is not the right message to send to the country or the world. Also, people can't handle additional burdens UNTIL state government substantially reorganizes and downsizes. Claims that the government is smaller than it was in the 70's are irrelevant when compared to the fact that the state is MUCH smaller than the current government when comparing the present times to the 70's. Get to work and quit worrying about what political equity you're losing. You've already lost it. And let's get term limits eliminated while we're at it! Thu, 10/4/07 12:52 PM

Find 197. The state should just raise the income tax more. Adding a new tax on certain services will burden companies with a compliance cost. Also, the list of services for taxing seems silly. How much revenue will they raise taxing fortune telling and escort services? And why punish the near-moribund skiing industry with a tax on lift tickets? Thu, 10/4/07 12:50 PM

Find 198. This tax negatively effects small businesses. An increase in the current sales tax would be more fair and more equally distributed to all Michigan residents. Thu, 10/4/07 12:49 PM

Find 199. I would have been open to a service tax if it had been evenly distributed across all services at a lower rate. Through cuts alone i dont believe that the budget could have been balanced, but this random taxation method pushes me to want to stop working here. They went after an odd slice of the pie just to make their numbers work. Thu, 10/4/07 12:49 PM

Find 200. Michigan is drowning is a sea of bad choice. Thank to captain Granholm we may never see the shore. Thu, 10/4/07 12:49 PM

Find 201. The fact that it does not apply to all services is very disturbing, confusing, and all in all confounding. How can consultants get taxed, but not accountants? Why skiing and not golf? I'd much rather see this apply to everyone evenly. Better yet - just apply it to all personal services and expemt business to business so that Michigan firms can compete out of state. Thu, 10/4/07 12:49 PM

Find 202. The current sales tax on goods only is out of step with the economy in general. I would support an expanded sales tax system on all goods and services, but at a lower overall rate. Thu, 10/4/07 12:48 PM

Find 203. It is too complicated and hard to determine whether they would even be able to gather the taxes that they say are possible. I'd also prefer to have it be the higher income tax versus tax on services. I don't want both to hit me and they will. My customers are going to be upset if I have to charge them an additional 6%, especially for a retainer client that is $2,000 a month! Thu, 10/4/07 12:47 PM

Find 204. Possibly even another .1% added to the income tax to offset those additional cuts Thu, 10/4/07 12:47 PM

Find 205. It is very unfair. Thu, 10/4/07 12:47 PM

Find 206. I am outraged. This was the perfect time for government reform - and what did we get, more taxes. And ON SERVICES!! That is ridiculous and disgusting. It is hard enough to do business in this state and now MI is forcing service businesses to tax their customers. Do you think these businesses will be able to survive, MANY will not because they will have to absorb the tax themselves because they are locked into current pricing. Small business is struggling in this state and I feel like I was just kicked in the face. I have never been more disappointed in this state. I feel like the downward trend in this state was just kicked into Thu, 10/4/07 12:47 PM

high gear.

Find **207.** ADDITIONAL BURDEN ON BUSINESS FOR NOT ONY COLLECTING BUT REPORTING TO STATE. WILL UP ACCOUNTING COSTS AS WELL AS POTENTIALLY DRIVING CUSTOMERS AWAY — Thu, 10/4/07 12:31 PM

Find **208.** This is just another blow to the Michigan business community. Many of the business owners we know are barely hanging on. Increasing the total price to a customer is certainly not going to bring in more business and help us survive -- as everyone other than our legislature can figure out, it will definitely negatively impact our revenues. — Thu, 10/4/07 12:09 PM

Find **209.** A straight increase in income tax would have created a simpler implementation for increasing the State's revenue base. Now not only are citizens up on arms but businesses also...double whammy. Taxing services begins the opening up of a can worms. First grab a few services to tax, then next go around a few more, ... The upset for a few more tenths of a precent or another percent wouldn't have created much more distaste than the current increase without the added burden on businesses too. — Thu, 10/4/07 11:52 AM

Find **210.** A straight increase in income tax would have created a simpler implementation for increasing the State's revenue base. Now not only are citizens up on arms but businesses also...double whammy. Taxing services begins the opening up of a can worms. First grab a few services to tax, then next go around a few more, ... The upset for a few more tenths of a precent or another percent wouldn't have created much more distaste than the current increase without the added burden on businesses too. — Thu, 10/4/07 11:52 AM

Find **211.** much needed issue!!! — Thu, 10/4/07 11:47 AM

Find **212.** For-Profit companies may find it hard to do business with the government if there is a 6% sales tax added to contract services. — Thu, 10/4/07 11:47 AM

Find **213.** I believe that it should have been applied across the board to all service areas that are luxuries such as golf fees. It seemed it keeps the rich richer and the poor the poorist. — Thu, 10/4/07 11:40 AM

Find **214.** We need to recall our lawmakers who agreed to this. Michigan taxpayers are suffering enough at this point, given the current status of our economy. — Thu, 10/4/07 11:34 AM

Find **215.** With the economy so bad in Michigan already, we are struggling so hard to stay in business as it is. We have already cut many services and small businesses just will not survive with additional tax burdens - at least we won't. Our office complex has gone from 100% occupancy to 30% in the past 2 years and we're hanging on my our fingertips. We definitely oppose additional taxes on small business! — Thu, 10/4/07 11:33 AM

Find **216.** why don't the state reps, senators & gov take a 5% pay cut...pay a portion of their health benefits??? why do state judges get full retirement package after only two terms? — Thu, 10/4/07 11:15 AM

Find **217.** In business, great leaders lead by example...why don't the state reps, senators & gov take a 5% pay cut...pay a portion of their health benifits??? — Thu, 10/4/07 11:10 AM

Find **218.** I am in the service sector and while my industry is currently exempted, I have no doubt that we will be the next target. The State of Michigan HAS to get a handle of spending and cut like the rest of us. I'm tired of the Gov and certain pols handpicking State services that wouldn't and shouldn't be cut and telling us how we're hurting the most vulnerable. They should just get to it and cut spending so they can make a legitimate appeal to us to raise taxes. — Thu, 10/4/07 10:31 AM

Find **219.** Business is Michigan struggle to make any money. A goal at the beginning of each year might be to make two to six percent profit. Certainly a few make more. This tax would wipe — Thu, 10/4/07 10:13 AM

out profits and lead to loss of jobs and companies moving out of Michigan. Hardly what anyone is looking for. In addition, many Michigan companies compete for business within Michigan against firms based in other states. This tax would give us a huge disadvantage in this competition. What are these guys and gals thinking of? This is horrid. John Bailey

Find **220.** We are a service business competing in a very competitive, economically challenged market segment. I'm confident our organization will (one way or another) have to absorb the negative financial impact of the new tax. Additionally, our business needs and requires other successful businesses in the State in order for us to have a meaningful business base...I'm confident taxing services will work against economic development (and a quick recovery to the communities business challenges) It's challenging our business model... Thu, 10/4/07 9:50 AM

Find **221.** I'm going to pass on my increase tax in the financial planning biz to my clients . . more cost for them Thu, 10/4/07 9:38 AM

Find **222.** It is wrong and there is no reason for the services that have taxes vs. those that do not. Thu, 10/4/07 9:31 AM

Find **223.** WITH THE POOR ECONOMY IN MICHIGAN I FEEL IT IS NOT A WISE CHOICE TO RAISE TAXES. WE WANT TO ENCOURGE BUSINESS TO DISCOURGE IT. Thu, 10/4/07 9:29 AM

Find **224.** CUT SPENDING AND NO TAXES ARE NEEDED. Thu, 10/4/07 9:23 AM

Find **225.** I would like our elected officals to live with same lack of benefits and job security that they ask their constituants do do. The tax on services is so all over the place; do they really expect escort services to comply, whereas the single-parent hairstylist has no choice? Thu, 10/4/07 9:22 AM

Find **226.** I believe the sale tax will have a negative impact on completition within these services with fewer people inclined to start new businesses due to this change. Also it will have an implact on the buyers of these services due to the increased cost from the tax. The bottom line is a negative impact on the economy for Michigan. Thu, 10/4/07 9:20 AM

Find **227.** When will the Governor understand that increasing the tax base by attracting more business is the ONLY way to balance the budget? This tax is making us seriously consider moving out of Michigan. Thu, 10/4/07 9:03 AM

Find **228.** We need cuts!!!!!!!!!!!!!!!!!!!!!!!!!!!! We are in bad enough economic shape now, as a state, so kick us while we are down, again. Thu, 10/4/07 9:01 AM

Find **229.** It is perhaps the stupidest possible solution to the revenue shortfall. We are a state with a rapidly shrinking economy and plummeting real estate values. The new tax will only exacerbate these problems. This situation boldly highlights how ineffective and out of touch the Democratic leadership really is. Thu, 10/4/07 8:48 AM

Find **230.** It didn't receive a public hearing, so how was anyone allowed to weight in? The list of services they chose was completely arbitrary and not thought through well enough. Late night decisions like this aren't helping anyone. Thu, 10/4/07 8:42 AM

Find **231.** It is imperative that Michigan regain its economic base. One means of doing this is to reduce services and increasing revenue. The state has been in a twenty-year period of reductions to the point it has harmed our citizenry. The tax structure must now be reviewed and revised to reflect current goods, services, etc. Thu, 10/4/07 8:40 AM

Find **232.** raise the income tax! Thu, 10/4/07 8:38 AM

Find **233.** It's only a matter of time before the legislators see this as an area to cover more of their over-spending and expand this tax even further! Thu, 10/4/07 8:35 AM

234. Taxes are an excellent way to encourage business growth in Michigan. Every day I thank God that we did not elect a sucessful businessman to run the state. Michigan deserves all that we get, we elect incompetant representation, we get poor results. Thu, 10/4/07 8:28 AM

Find 235. We have to reduce government expenditures, jsut like the big 3 is doing now and other businesses. I intend to move out of the State with this higher income tax. We should raise the general sales tax so taht all visitors pay their share, just like Florida. Thu, 10/4/07 8:17 AM

Find 236. Why don't we hear of any cuts in Government personal and or their benefits, uurealistic wage increases. Pensions for persons who only serve 4 years. Most receive same wages when they retire. Better health care than all the private sector. It's a joke. Just as soon as they have taxed us to death to balance the budget, they'll get more increases to their wages and more importantly their pensions. Then it's the same ole again! Michigan is DEAD. I'm outta here when I retire! Thu, 10/4/07 8:16 AM

Find 237. Many in Michigan's business community are lining up on the wrong side of the budget debate. The Michigan Chamber of Commerce urged lawmakers to make spending cuts and reforms before increasing revenue. However, the Michigan Chamber said the only reason they reluctantly agreed to tax increases is that legislators waited too long to cut their way out of this mess even though no reasonable study suggests spending cuts alone are a long-term solution. The bipartisan Emergency Financial Advisory Panel including former Republican governor William Milliken and Democrat governor James Blanchard concluded that "...Michigan will not and cannot economically grow our way out of the state's financial crisis; that we cannot solely cut or tax our way out of it..." A recent 10-year economic forecast by the Upjohn Institute shows the state's general fund has a structural deficit of nearly 4%. Now the Small Business Association of Michigan may be plotting a campaign to repeal the new sales tax and members of the National Federation of Independent Businesses may mount recall campaigns against legislators who voted for the tax increases. Neither will help move Michigan forward. On the contrary, they will only delay the reforms necessary to get Michigan back on track. State legislators have done a fine job of procrastinating on their own and they do not need your help in that regard. Yes, times are tough now, but things are not going to stay this way forever and we must invest in Michigan's future. SEMCOG's 2035 Forecast predicts Michigan will eventually become a net importer of workers because we will not be able to keep up with the demand for Health Care and Social Assistance workers needed to tend to our aging population in 2035. We ought to focus on the challenges ahead rather than punishing politicians over political disagreements. The facts are clear: Michigan is not a high tax state. Michigan is spending less as a percentage of total state income on state government today than it has in 20 years. The Detroit Free Press reported this spring, "A new study by Federal Funds Information for States (FFIS) ranks Michigan 23rd in per capita state and local taxes and fees, and 21st in total revenue as a percentage of personal income statewide." Michigan taxpayers in 2005 paid 9% less of their income to state and local taxes than they did 10 years earlier. In state spending, Michigan is spending a far smaller piece of its income today than it did in 2000 – in fact, we are $5 billion below the Headlee limit, the level proposed in conservative Richard Headlee's Constitutional Amendment as the amount of state spending Michigan must not exceed. The budget debate has been extremely unsophisticated and lacking in evidence-based decision making. Ideology had replaced information. We need to set politics aside and focus on the facts. Twentieth-century journalist, satirist, social critic, cynic, and freethinker Henry Louis Mencken (H. L. Mencken), once said, "For every problem, there is a solution that is simple, neat, and wrong." Now is the time to have an honest dialog about our state's complex problems and Thu, 10/4/07 8:13 AM

avoid the temptation to propose simple, neat, and wrong solutions. Michigan's future depends upon it.

Find **238.** Q2 I am not sure if the tax is going to directly effect my business. Thu, 10/4/07 8:13 AM

Find **239.** I am a part of the political committee for the MAIA which is fighting the sales tax as well. If we keep throwing money at the government they will keep spending it. Its the same old addage;feed the hungry and they will eat the food, give them jobs or show them how to feed themselves they will not be hungry. The same applies to our government, make them accountable for staying WITHIN the budget just like the rest of us have to. I think we should have a flat tax for sales tax for buying things including food. Have a sales tax of 9.5% and get rid of the State income tax and the business tax all together. That way everyone pays there share including drug dealers and illigal alliens, and people that dont pay there taxes. We would actually come out ahead since we would be taking home more money and only paying it on items we buy. Edie Derusha Thu, 10/4/07 7:58 AM

Find **240.** The new sales tax (and MBT) will force businesses and high net worth individuals to leave the state having a much more detrimental effect on long-term revenue for the state. Thu, 10/4/07 7:56 AM

Find **241.** The way this state is going ....their will be nobody left to pay any taxes! Thu, 10/4/07 7:56 AM

Find **242.** We need an entirely new tax structure perhaps a consumption tax or a flat tax. Working for the U.S. government should be a calling to serve your nation not a means to procure wealth and power for your interests. Thu, 10/4/07 7:50 AM

Find **243.** With all the people leaving the state, with all the jobs leaving the state, the state should be cutting back to a size needed to support what's left. Given that any tax on business is just passed onto the people it's just plain irresponsible to increase the tax burden. An increased tax burden will guarantee the exodus continues and prevent the import of the jobs the states around us seem to be able to achieve. Thu, 10/4/07 7:47 AM

Find **244.** The cost of collection of this expanded tax on selected services must be much higher than that of the personal income tax; the tax on selected services will simply cause an increase in the "cash economy" with no records; and it will cause an increase in the amount of assets and service purchases moved out of state. It is counter productive to the economy and will not yield nearly the state's estimated revenue to boot. Thu, 10/4/07 7:39 AM

Find **245.** In a business environment in Michigan already in tough times, this tax seems to be over-the-top. I favor spending cuts. Thu, 10/4/07 7:37 AM

Find **246.** The republicans let us down. Granholm refused to cut anything & they gave in to her. The state will be worse off now than it is. Thu, 10/4/07 7:28 AM

Find **247.** Item (t) Service contract services is a killer!!. other areas of the proposed tax would only have a minor effect on us. Some of the taxes such as the warehouse tax would impact my out of state competition more than me as they stock their product through local third party warehouses. Thu, 10/4/07 7:23 AM

Find **248.** This administration needs to quit being a knee-jerk administration. Doesn't anyone understand that taxes are one of the main culprits to the decline of the state of Michigan. Maybe we need to quit pissing money away and be more responsible. Thu, 10/4/07 7:23 AM

Find **249.** I think its pretty scarey when you have to pay luxury tax to die. She even wants to tax funerals? What the hell is this woman thinking. People are bailing out of Michigan daily yet she wants to tax us more instead of cutting government workers and government spending. With less people living in Michigan we need less people working government jobs. They sit Thu, 10/4/07 7:19 AM

on their thumbs now and don't do anything. This is absolutely nuts. When she threatened to shut down the state, she was closing casinos, state parks, liquor sales etc., everything that brought in REVENUE to the state just so she could pass her silly ass taxes on people that are already taxed to death. I think we need a whole new set of politicians running our state. These people stink.

Find

250. I need more information reguarding the sales tax implementation before I could meaningfully answer your survey questions. Thu, 10/4/07 7:18 AM

250 responses per page

Comments Summary

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	Comment Text	Response Date
Find	251. I need a complete accounting of all the funds ins and outs before we ok anything. If they need help have them call me; I'm loosing my job here at GM at the end of this month and will have plenty of time to straighten them out. TJ Iley 586-786-5735	Thu, 10/4/07 7:17 AM
Find	252. To tax only some services is unfair.	Thu, 10/4/07 7:10 AM
Find	253. I can see out state service companies competeing for business in Michigan with a 6% advantage. CUT SPENDING do not raise taxes. Start with your own staff whose benifits outstrip anything avilable in the private sector	Thu, 10/4/07 7:05 AM
Find	254. Support replacement taxes, but not B2B	Thu, 10/4/07 7:04 AM
Find	255. What the governor and legislature did is idiotic and unconscionable; it will drive even more businesses out of Michigan and/or out of business	Thu, 10/4/07 7:01 AM
Find	256. This tax makes our business less competitive in the marketplace	Thu, 10/4/07 6:59 AM
Find	257. Historically increasing taxes has made bad economies even worse. Our state needs to do everything it can to make doing business here more inviting to companies and individuals	Thu, 10/4/07 6:58 AM
Find	258. Tax cuts have a history of providing economic stimulus to the economy. I support balancing the budget the same way we are required to at home, spend less.	Thu, 10/4/07 6:55 AM
Find	259. Blanace the budget by cuts , especially to obscene public service (state and civic)employee pension funding costs. Move to a pure consumption tax and eliminate income taxes,do not belend both. This services tax is the thin edge of the wedge for a Goods and Services tax that added tax huge costs alrady high income taxes in Canada.	Thu, 10/4/07 6:53 AM
Find	260. The Governor says she wants to attract businesses to Michigan, and yet does the exact opposite of what is attractive to businesses. Go figure. We should privatize many of the state programs and that alone would save millions,. Jim Linenger, Michigan business owner for 30 years.	Thu, 10/4/07 6:51 AM
Find	261. I lease a 64000 square foot office building to a national company with 250 local employees whose operations will now be subject to sales tax. Why would they continue to operate their office in Michigan when they have other tax free options across the country? Also, many of the operating expenses on my buildings are now subject to tax. The concept that the tax is on "discretionary" expenses is ludicrous. Isn't the business climate in Michigan bad enough? Lansing just doesn't get it.	Thu, 10/4/07 6:50 AM
Find	262. Higher taxes lead to less revenue when you push businesses out of business or out of State. I believe we can cut more of the wasteful expenses in the budget without ruining education and State services in Michigan.	Thu, 10/4/07 6:49 AM
Find	263. Our legislature must begin to think about the public body and the citizens that are considering relocation to a more tax friendly state. The old and current saying, "If you build it they will come". Just might prove to us today that if the fictional "THEY" do not have the means to pay you will have another Huston, Texas 1989 empty bank towers on your hands. In other words money spent will not give a return if no one has the money to pay. Business	Thu, 10/4/07 6:47 AM

people and government must seek out a return on investment. Higher taxes today are loaded with problems in the very near future. It makes no economical sense to out tax the taxpayers in a low economy. This action just forces those over stretched to weigh their options. It is not economically sound to attempt to weight it out when income is steadily going down.

Find **264.** The resident, employees and business owners can no longer afford additional taxes. I don't understand how everyone can see this expect our legislators. Thu, 10/4/07 6:43 AM

Find **265.** I am not adverse to paying more taxes. However, I am not convinced that the state government cannot cut back significantly more. And I believe the new services sales tax is unfair (selecting just certain businesses). The tax is bad for our economy, bad for business and a poor attempt to tax just the rich. Thu, 10/4/07 6:43 AM

Find **266.** CUT SPENDING! Thu, 10/4/07 6:43 AM

Find **267.** There is no logic to the governors hit and miss approach in targeting businesses. More important it is opening the door to expanding the service sales tax base which would be unhealthy for all business and the state, Thu, 10/4/07 6:33 AM

Find **268.** The State needs to be proactive not reactive in creating a better business climate. The State Goverment is to large and needs to be downsized. Thu, 10/4/07 6:32 AM

Find **269.** This is definitely a negative action towards the necessary incentives needed to attract new businesses to Michigan and it will cause the further decline of existing small businesses. It is just what we did not need. Thu, 10/4/07 6:28 AM

Find **270.** This is definitely a negative action towards the necessary incentives needed to attract new businesses to Michigan and it will cause the further decline of existing small businesses. It is just what we did not need. Thu, 10/4/07 6:26 AM

Find **271.** As a small business owner in the thumb of Michigan, I see this as a major detriment to the small financially-strapped communities here. I sincerely believe this will cause many small business owners, including myself, to close up shop and move out of state even faster. Thu, 10/4/07 6:19 AM

Find **272.** The state needs to adapt now to a changed reality - a smaller tax base, smaller number of children in schools and a more austere outlook. Attempting to carry on with business as usual by raising taxes only sticks a finger in the dike. Once the state finally gets around to aggressive reductions, the impact may be devastating for all of us. Thu, 10/4/07 6:18 AM

Find **273.** Taxes on services should be on luxury items only. Tanning, Massages, Lawn Service etc. Things people can do without. Thu, 10/4/07 6:12 AM

Find **274.** The new tax creates significant new complexity for many businesses. Nuances such as "investment advice" and "other tranvel and reservation arrangements" being taxable, but "portfolio management" and "travel agencies" being exempt create confusion, likley misapplicaiton of the law, and a high likelihood for future debates and/or battles with Michigan Treasury on how a particular taxpayer's services should be categorized. Taxpayer's will look to capitalize on subtile distinctions between taxable and exempt categories of services and take action to recharacterize taxable services to exempt resulting in the tax collections by the state being less than the state anticipates. In addition, for taxpayer's that need to implement processes and update information systems to comply with the expanded tax, a two-month window from 10/1 to 12/1 is not enough time. Thu, 10/4/07 6:08 AM

Find **275.** While this may be an immediate fix, it is not a long-term solution for the economic stability of this state. How does this compare to a higher income tax? What percentage of income tax increase replaces the sales tax expansion? How does a corrections department overhaul Thu, 10/4/07 6:07 AM

affect the need for this sales tax?

Find **276.** I have no problem with the service tax, if it is truly needed. Increased taxes are expected, but only for the right reasons. My business has to charge sales tax and I feel it is fair for others too, especially certain non-essentials. HOWEVER- I do not appreciate our taxes going up to support and cover excessive and careless spending, along overweight govt budgets and staffing. The cutbacks and budget cuts need to come from the govt first. Along with fair and practical finance measures. As a business person, if I pay myself too much, spend too much of my companies budget on salaries, trips, etc., my clients and customers are NOT going to bail me out when I have to significantly raise the prices on my products and services due to my poor planning & lack of common sense. It would be ludicrous to even think that they would. We should take a good hard look at ourselves, business people and tax payers and examine how we have enabled the govt officials in charge of our state and budget to continually abuse us. The Michigan govt embarrased us last week and I would like to see them try to run the operation like a business. Similar to the hard-working business people that struggle to keep their companies in Michigan, despite the pathetic economy and gloomy forecast for any change in the States overall well-being. We take salary cuts, we tighten our budgets, and run our businesses smarter and leaner. Why should we not expect the same from Lansing? The Detroit Regional Chambers fast-acting and passionate devotion to following and speaking out against unfair taxing is commendable! As is the reps and senators that are still trying to support commerce and citizens, despite the scare tactics played out by their fellow key party representatives. Good Job DRC. I would like to see as much involvement as possible! Laura L. Lovelace Director of Operations Event Planning Solutions in association with- Lasting Memories Floral Preservation llovelace@eps-now.com Thu, 10/4/07 6:03 AM

Find **277.** I want more spending cuts, namely wages , benefits and head count in state government. We need more cash, the tax on services won't cause a one person to not purchase the service. Thu, 10/4/07 5:58 AM

Find **278.** Michigan is behind many other states in taxes charged for personal services as well as sales tax. I think Michigan needs to follow the example of New York and California. While our situation with the automotive industry is unique, every state has an industry or two that is unique to it. What are we crying about? If I were Governor I would have raised the sales tax to 8% and/or left the sales tax at 6% but added food to the equation. With the casinos draining every extra dime from the Southeastern Michigan economy, what option does the governor and state legislators have? Thu, 10/4/07 5:55 AM

Find **279.** This is bad for MI. The sales tax is descriminatory and ill-concieved. Thu, 10/4/07 5:55 AM

Find **280.** If I have increasing expenses and reducing customers and revenue, I must find ways to (1) Grow by finding new clients and (2) Cutting expenses. BUT I could not keep expenses where they were and just mandate to fewer & fewer clients an X% increase if fees. That's what they did to us! MI needs to grow it's customer base by making itself attractive to businesses. More "new" customers = more "new" revenue. The market would not allow an inefficient business to survive. Thu, 10/4/07 5:52 AM

Find **281.** Have the legislature and govenor take a pay cut. Stop wasting time on creating new stationery and websites. Thu, 10/4/07 5:48 AM

Find **282.** Consulting Services being taxed is certainly NOT going to help in improving the competitiveness of Michigan Businesses. Are we so desperate for money, that we make it harder for companies to make structural improvements – WHILE keeping legislative pensions and health care benefits intact??? SHAME SHAME.... Kurt R. Hofmeister President Thu, 10/4/07 5:44 AM

The TOTAL QUALITY Group, Inc. Okemos, MI 48864 517-349-6770 (office)

Find **283.** The economy is so devastated in Southeast MI and this new tax adds to the problem rather than aiding small businesses to grow and flourish. Thu, 10/4/07 5:38 AM

Find **284.** We will be relocating out of this negative enviroment. Thu, 10/4/07 5:34 AM

Find **285.** This is insane! They said these are discretionary services they are taxing. Let's see, the MDEQ demands companies do environmental monitoring, reporting, and cleanup - but to hire someone to do this is discretionary. The logic escapes me! Thu, 10/4/07 5:25 AM

Find **286.** Spending cuts would be preferable and since most employees throughout Michigan have experienced spending cuts by their employers, the governor and state employees should also experince the same spending cuts. But if you are going to institue a business service tax, it does not seem fair to pick and choose which services will be taxed. Either tax them all or do not tax any of them. Thu, 10/4/07 5:19 AM

Find **287.** We are a small business that is barely able to compete now. With additional tax burdens, it is likely we will go out of business. Thu, 10/4/07 5:15 AM

Find **288.** We own a plumbing company and with rising fuel costs, health care and copper and material prises rising, this is just one more step to put another Michigan Company OUT of Michigan Business! Thu, 10/4/07 5:11 AM

Find **289.** I would not mind the sales tax so much if it was sharely equitably. Attorneys and lobbyists are exempted from the tax and I'm certain that the only reason they are exempt is because their connections and lobbying efforts were greater than those of mine, a small business. A combination of spending cuts and tax on business might be the only reasonable outcome; however, don't increase the tax until cuts have been fully explored and show some leadership - despite the efforts of the influential and powerful lawyers and lobbyists, include them in the business tax as well if a business tax is necessary. Thu, 10/4/07 5:07 AM

Find **290.** The only thing applying the sales tax to services will encourage is for corporate clients to use out of state vendors. Thanks Granholm. Thu, 10/4/07 5:03 AM

Find **291.** We cannot afford any more taxation in the state of Michigan. Thu, 10/4/07 4:52 AM

Find **292.** Here's the bottom line. Every incumbant in government running for office that voted for the tax increase will not have my vote next election. Will the last business to leave Michigan please turn off the lights. Thu, 10/4/07 4:51 AM

Find **293.** It will hurt the little guy the most. He can't add the tax to his business because he'll lose customers. You notice golf courses did'nt get hit because of lobyists (I am a golfer too). Why did the legislators give theirselfs a raise with the state in trouble? I getting sick of us supporting Kilpatrick's Detroit. I am retired from GM and we had the hardest contract negoiations since the beginning of union. It didn't take 9 months to resolve nothing like our state government. I hope someone prints everyones name that voted for tax increase so my wife and I can vote them down next election. Grandhom is going to go down as the worst governor we've had just like Bush will be the worst president we've had in history. What's sad is I voted for them. When are the Democrats going to wake up and take care of the middle class. Thanks for letting me get it off my chest. See ya at the poles, Tom Thu, 10/4/07 4:49 AM

Find **294.** They should have a balanced budget in place 2 years ahead of time .It seems that know one is looking at the future just today.I think you will not see any new business coming to this state and many more going out.She was right We just got blowen away Thu, 10/4/07 4:42 AM

295. I would start with making State Employees drive to work in their own cars and sell the ones Thu, 10/4/07 4:41 AM

that we the state own now. It is is little things like this that if you get enough of them we would have a reasonable balanced budget. Thats what we the buisiness owners have to do to balance our budgets, DO WITH OUT until it fits in the budget!

Find **296.** Another hit to the businesses of Michigan. Taxing and spending unwisely solves nothing. Thu, 10/4/07 4:29 AM

Find **297.** The SBT changes, the income tax increase and the sales tax on services means my botton line is facing three new taxes. My company already felt the impact of the state's struggling economy, and can't afford to take three new hits in 2008. Thu, 10/4/07 4:22 AM

Find **298.** Most other states tax services. Look at NY as an example. The service tax does not hinder businesses doing business there. I think fat needs to come out of the budget, however a service tax will not change much in the long run. We need to promote the State in a different way. Thu, 10/4/07 4:17 AM

Find **299.** I think the people of Michigan would have accepted a higher income tax than this tax on services. Cutting back on state government, of course, would be a better first step. Thu, 10/4/07 4:13 AM

Find **300.** Additional taxes are necessary; the reductions in government services that would be needed to drive an operating budget that would be balanced WITHOUT additional revenue streams would have been unacceptable to me. I would have been MUCH more receptive to an increase in the personal income tax; this would have been a shared burden of all residents, and would NOT have required the creation of yet another bureaucracy to adminster the taxation system. Thu, 10/4/07 4:10 AM

Find **301.** I believe that the State has dug a hole deep enought that we need to increase taxes to get out of it, but I believe that we must cut spending much more than currently being discussed. There is far too much waste in Lansing. Part time legislature. Keep the old license plates, reduce benefits for public employees to bring them in line with the private sector, open more things to public bid, limit welfare fraud and abuse, limit unemployment fraud and abuse, keep the same license plates for several years, stop printing the names of the policitians on everything (Sec of State, Governor etc) including signage, brochures,letterhead etc., Tax more evenly... if a sales tax on services, tax everything, not specific industries- perhaps reduce sales tax back to 4% and include all services. Bottom line, we need more business in Michigan. We are not going to attract them unless we get more business minded in Lansing. We must be more fiscally responsibile and stop spending more than we have... it should be criminal with consequenses for the irresponsible lawmakers. Thu, 10/4/07 3:59 AM

Find **302.** The new sales tax will not help Mi's economy or long term growth. It will only add another barrier to companies coming to Michigan. Thu, 10/4/07 3:42 AM

Find **303.** Michigan is on the ropes: We are not attracting businesses, big employers are moving out of state, our unemployment rate is the highest in the nation, our economy is among the worst in the nation, our kids are moving out of state to find jobs, big employers are laying off employees, etc. Our statte government's answer: Raise tax rates and start taxing new business services to generate more money for the government. Yep, that's sure to stimulate more economic growth, attract new employers, etc. Duh! Thu, 10/4/07 3:17 AM

Find **304.** I do not have the resources to impliment this outrages tax to my customers. If I raise their service they quit. Now I have to figure out how to collect 6% so the Legislature can spend more. I am leaving Michigan after 39 years in Detroit. Bye and thanks for the poorest business climate in both Detroit who business tax crazy this year and now the state. Thu, 10/4/07 3:15 AM

Find **305.** These new taxes will cause me to spend more of my dollars outside of Michigan. It also speeds up my decision to move out of Michigan altogether. As the old adage goes, "Tax what Thu, 10/4/07 3:10 AM

you want less of." I guess the State wants less service.

Find **306.** I provide Managment Educational services, which are vital to small business and to new managers/supervisors. The proposed taxes will reduce the educational opportunity for many new managers. A 6% increase in cost is the largest single year increase that I have witnessed in 30 years of providing this service. Companies are facing margin pressure. Rather than face the increased price, they will forego the educational opportunity. I'll end up with fewer, if any clients and pay less income tax. In other words, they are cutting of their nose to spite their face. Thu, 10/4/07 2:50 AM

Find **307.** Another disadvantage for Michigan Businesses at a time when we desperately need to attract new business and new jobs to the state. Am considering moving my business to Texas where my kids reside and this is just one more reason to do it. Thu, 10/4/07 12:47 AM

Find **308.** Terrible...thinking of Incorporating in another state Wed, 10/3/07 9:52 PM

Find **309.** just plain stupid collect the sales tax from internet sales b&h photo does 250 million dollars shipped in michigan they do not charge sales tax state loss. check the math Wed, 10/3/07 9:31 PM

Find **310.** Taxes will only hurt the business climate in Michigan, and aid in driving more business' out of our state. Wed, 10/3/07 8:47 PM

Find **311.** Whatever happened to figuring out a way to tax internet purchases. Our state loses millions in taxes to in and out of state companies due to internet sales. If 15%+ of retail is purchased over the internet, why is the state so lax in pursuing this issue? I have heard that some Republicans don't "want to go there". I don't buy the "too complicated" answer to figuring this out. Canada has 15% tax on everything, other states have higher sales tax than MI. What the fairest thing to do should be the goal of all legislators. Small business seems to pay the price, like what's left of the middle class, for bailing out government shortfalls. Wed, 10/3/07 8:23 PM

Find **312.** Many service contracts span more than one year, certainly past the next few months during which the new tax will be imposed; most of those contracts have no provision for passing through a sales tax, so the new tax will come directly out of the pockets of small business on top of the 11.5% increase in personal income taxes. Time to move to a state more friendly to business. Wed, 10/3/07 8:23 PM

Find **313.** I think the tax is ok, but I would like it to be a lower percent. The original proposal of 2% is more reasonable. I don't think that services that benefit the public should be cut, but if there are areas of government that can be tightened within reason, I would agree on the idea. Someone has to pay for needed services, and taxing services is one way to do it. I think a small tax on food would be a good replacement for this tax. It would be easily accomplished and likely an easy sell with the public, not 6% but possibly 2% would work. Krogers already taxes some items, it would be a no brainer to add food. Wed, 10/3/07 8:12 PM

Find **314.** The service sales tax will cause additional financial burden on the already troubled commercial real estate market. Building owners will respond by reducing services, which will result in job losses. Our company will probably lay off 100+ employees due to this tax. It is a job killer and a killer of small business. Wed, 10/3/07 7:52 PM

Find **315.** I would support the spending cuts IF the salaries and benefits of the politicians were part of that process. If we are expected to take a hit, they should too. Wed, 10/3/07 7:43 PM

Find **316.** Sales tax isn't magic, it's just one more fairly simple form for a small business. It costs the business nothing but the time to fill out a form each year. Is that good? No. Is it better than tossing more mental patients into the "community"? Better than dropping enforcement of pollution laws? Better than depriving old people of medicare drugs? Better than neglecting Wed, 10/3/07 7:29 PM

bridge maintenance? HELL, YES!

Find **317.** I have a Cleaning & Organizing business. This tax added to my business might just put me out of business. I am a ligitamit business whose employees pay taxes. This tax added might drive the cleaning business back underground. I cannot compete against someone who doesn't have the overhead that I have. Hence you will lose the taxes that my employees pay now. Wed, 10/3/07 7:26 PM

Find **318.** Every economist I heard has said raising taxes in a recessionary period is an awful idea. Granholm is beholden to the unions in this state and has no guts to truly reform the way gov't works. What a big fat shame!!!!!!!!! I'd throw her out of office in a heartbeat. Just pathetic - she took the easy way out. Wed, 10/3/07 7:06 PM

Find **319.** There is nothing like kicking the little guy when he is down. I am for recalling Jennifer Granholm et al. Wed, 10/3/07 7:04 PM

Find **320.** The market is already tough for small businesses like ours. Please do not expand this tax net onto services. Wed, 10/3/07 6:54 PM

Find **321.** We need to raise taxes but not on the backs of small businesses. The Governor has been working hard to bring new business into this State. She worked hard to change the Business tax. Now to put a tax on a segment of the economy that is growing will only tend to work against this growth. Our income tax is one of the lowest in the nation. Raise the income tax with the caveat that it will be lowered again once the economy in Michigan has recovered and is strong again. Fund Michigan Education. Again, what high tech business will want to settle in a State that does not support its schools, especially higher education. Wed, 10/3/07 6:50 PM

Find **322.** We can not get something for nothing. We should maintain as high quality of standards as possible until the clouds are gone and the sun shines again. Ronald Regan kept on cutting "Unnecessary Program" and his legacy today is Children Bibs and toys with Lead because the government does not have enough manpower to examine or at least monitor imports. Extra $2.40 every for my dry cleaning will not bankrupt me and I am not making 6 figures income, so we will be OK if idealouges will just stop wining. Wed, 10/3/07 6:43 PM

Find **323.** The burden of collecting, reporting, and remitting sales taxes will require business owners to become unpaid employees of the state. This is yet another disincentive to conduct business in Michigan. Wed, 10/3/07 5:59 PM

Find **324.** I think we need to raise the sales tax up to the level that would get the gov't out of debt. Let us the tax payer balance the budget NOW. If the local gov't can not keep the budget balance to change the people in power. We have a very serious problem here that we can not keep spending without the dollars. Small and large businesses are facing troubling issues because of this. We need to take charge of our own further now Wed, 10/3/07 5:55 PM

Find **325.** This state has way too many programs and cuts need to be made. You can not grow and attract business by taxing them more. Lansing has got to get a grip. Michiganders are struggling and this is only piling on. Have some guts and make some cuts. Wed, 10/3/07 5:52 PM

Find **326.** I would support a repeal of this tax or the recall of Jennifer Grandholm. I would actively volunteer to do anything to bring attention to the absurdity of it. Wed, 10/3/07 5:43 PM

Find **327.** Leadership has a new definition every day in this State. Our tax deficit is growing due to the population we are losing. Union based, liberal, democratic philosophies and practices simply don't work any more. They all had their place in time, but today they are extremely volatile when present at the same time. Our state leaders need to find ways to help successful businesses and people make more money so they feel compelled to create more Wed, 10/3/07 5:42 PM

employment or they will continue to leave as they have been doing for the past few years. If we wait until the next election, it may be too late for Michigan.

Find **328.** I'm not happy about the increase in taxes at all. I heard Grandholm say today the service taxes would only cost a family $1 per week per family member. For a family of four that's $208 a year. Add that to the $380 or so of income tax increases, and that family of four is now paying $588 extra per year - that's almost $50 a month. Grandholm said if we didn't have the tax increase, services would have to be cut, and she said we would have to yank healthcare away from the elderly, put 37 children in each classroom in school. As if there are no other areas in the state to cut - like perhaps whoever had to go around and kick out those 1,000 campers on the eve of the shutdown. Boy, that was important! Our politicians always take the easy way out - just yank more money from the people instead of making the hard decisions, even in a dismal economy. As far as the cuts go, I support taking services away from anyone that doesn't absolutely need them. I don't want more services from our government - I can take care of myself. Wed, 10/3/07 5:41 PM

Find **329.** Michigan business owners are already having enough financial issues as it is now. This is just one more thing that will be pushing even more people right out of Michigan! Wed, 10/3/07 5:40 PM

Find **330.** it is short sighted effort by government officials to fix problems caused the lack of basic leadership skills. our State is in trouble. Wed, 10/3/07 5:37 PM

Find **331.** This is a cumulative tax to businesses. In my small business I will be repeatly taxed as I process materials for the end products. It also add another layer of accountability and paperwork. The state cannot even process/credit withholding and sales tax credits on the same forms; Anyone who has tried to use one check to cover both will understand what I am referrign to. I imagine the state will be asking for more workers in Treasury to procss all the new service taxes. Wed, 10/3/07 5:26 PM

Find **332.** I believe the most equitable solution to this dilemma is an increase in the sales tax from 6 % to 8% – maybe even to 10% -- on things that are currently taxed. Everybody has to pay sales tax. This far more sensible, especially in light of the fact that, for cash services, there's no way to determine how much money will come in because there's no way to know if service providers are being truthful about thwir earnings. Plus, what a silly selection of services to be taxed. To tax baby-shoe bronzing, but not accounting services merely tells us who has strong lobbyists and who doesn't. Wed, 10/3/07 5:07 PM

Find **333.** A sales tax on services will hurt many samll to medium size companies in the State. This is a bad idea. Wed, 10/3/07 5:04 PM

Find **334.** It will drive more small businesses out of Michigan. Wed, 10/3/07 4:43 PM

Find **335.** If they are going to impose a tax on services, it should be an across the board tax on all goods and services and if that is the case, the tax could possibly be lowered to 4 or 5 percent. However, I believe that there are a number of areas where they can cut spending. Wed, 10/3/07 4:29 PM

Find **336.** The Gov't should begin decreasing the benefits of the House and Senate personnel--cut out expensive insurance policies and benefits--they are in their positions to help the citizens of Michigan. This also holds true for Washington DC all gov't personnel need to be putting in instead of taking out. CBD Wed, 10/3/07 4:18 PM

Find **337.** This tax is discrminatory, as it burdens certain business that do not have an effective lobbying voice in Lansing. Medical Insurance is almost 10% of our net, now an additional 6%,that we wil not be able to pass onto our clients, will sink us. Wed, 10/3/07 4:16 PM

338. Please define just what they mean by "Consulting Services" Wed, 10/3/07 4:14 PM

Find **339.** My husband and I own a home-based commercial/residential janitorial service. We employee 12-15 people at any given time. Our biggest competition are those individuals who clean "under the table" independently and who carry no insurance, no bond, and provide no health care or benefits to their employees. This tax is just one more stike against us. We provide all our uninsured employees with health care and the opportunity to contribute to an IRA, however, we will strongly consider leaving Michigan to pursue business in a state which is more supportive of our efforts. Michigan is becoming a welfare state. Instead of backing the people who try to get ahead they just continue to give more reasons not to live here and continue to support those who don't want to work. Positive behavior deserves positive rewards. That is what we are taught as children, yet, the lawmakers do not run our state with this attitude at all. They consider us "rich" although my husband and I jointly have never made as much as one lawmaker makes individually in a year. This tax punishes small business owners and the consumers of Michigan. If we want to "tax the rich" let's start in Lansing! I will not vote for anyone who supported this bill in the future and I will consider another state in which to do business. Wed, 10/3/07 4:13 PM

Find **340.** Interesting that they managed to miss taxes the services of lawyers. How many of them expect to go back to private practice? Wed, 10/3/07 4:12 PM

Find **341.** Where are the representatives, how does this stuff get passed Wed, 10/3/07 4:04 PM

Find **342.** The State of Michigan lacks leadership. They need to transform the government into a 21st century competitive enterprise. Wed, 10/3/07 3:56 PM

Find **343.** This tax will actually have the effect of driving service businesses "underground" to become cash based transactions. I have already talked to a variety of business people who plan to offer "discounts" for cash or check written to the person not the business. This will actually create a double problem since there will be no sales tax collected OR income tax collected on the unreported revenue. There is no way this will raise the money Granholm thinks it will. Wed, 10/3/07 3:55 PM

Find **344.** My firm is in the environmental and construction testing business as part of our engineering services. It is difficult for me to determine whether would be taxed under this system or not. However, if the plan does call for us to be taxed, it should be understood that our services are completed so that business owners can comply with laws related to the health, safety, and welfare of the public. In effect the work we do is already a tax on business. Taxing the services we complete is a tax on top of that burden already borne by business. Further, I cannot imagine sending the State of Michigan a check for 6% of an invoice when I send an invoice out. I have significant receivables that in this economy routinely extend out greater than 6 months. I cannot afford to add 6% to every invoice. Who voted for this, and what is being done to ensure that they are held accountable? How does the expected revenue to be created by the 3 new taxes compare to the revenue generated by the single business tax? Wed, 10/3/07 3:50 PM

Find **345.** Cut spending!!!!!!! Everyone else in Michigan already has. Wed, 10/3/07 3:47 PM

Find **346.** The Legislature didn't look to trim unneccessary spenditures but instead focused all their efforts on passing the burden of the budget onto the citzens of Michigan. I'd like to see them focus internally instead of passing the buck. The government should operate like a business like the rest of us have to.....no one foots the bill for our budgets. Wed, 10/3/07 3:39 PM

Find **347.** Cut spending by 1.75 Billion Wed, 10/3/07 3:37 PM

Find **348.** Even though the tax does not include my business as we are a sales business, the more taxes people around our store have to pay for eveything else they do, the less money they have to spend in stores like mine and other retailers. This increase will directly or indirectly Wed, 10/3/07 3:33 PM

hurt most businesses in Michigan.

Find **349.** It's time the Michigan Legislature (the second highest-paid legislature in the country) start doing some "Root Cause Analysis" and figure out WHY the State is losing money, and then take steps to fix the problem. Business is down, companies are either leaving the State or folding up completely, meaning people are out of work or making less money and having their benefits slashed. Our State Legislature has decided to put more of a burden on these people rather than attack the real source of the problem. Higher taxes will only make things worse for the taxpayers (but not necessarily the State employees) and Michigan will continue to face more problems in the future. Push for Mike Bouchard's proposed law: The State can only spend as much as they take in. Just like all of the taxpayers must do every day. A novel approach. When the Legislature starts reducing their own staff and their own salaries and benefits, the Michigan voters might have more empathy for their problems. But the legislators obviously can't feel our pain when they're not affected themselves. Wed, 10/3/07 3:30 PM

Find **350.** This will be devastating to the survival of small businesses. We are already challenged in just trying make ends meet. Try cutting a few more salaries in Lansing. Wed, 10/3/07 3:29 PM

Find **351.** Sales tax is regressive and affects people who are least able to pay. I would support a greater increase of the income tax. The idea that no tax increase is needed and the budget can be balanced with cuts is idiotic. Wed, 10/3/07 3:29 PM

Find **352.** Granholm just forced some of the consulting & office administation service businesses to go elsewhere. Ironically some of the businesses she targeted are those that also try to avoid income tax. Now she won't be able to collect either! Wed, 10/3/07 3:24 PM

Find **353.** Seems all they taxed were the smaller "guys" and left the larger services alone!! Wed, 10/3/07 3:23 PM

Find **354.** it's me (REB) Wed, 10/3/07 3:20 PM

Find **355.** Ridiculous to have taxes on health related things like personal training and massage. We are already the fattest state in the nation. Why ski resorts and not golf courses? What about equal protection under the law? You can't pick and choose arbitrarily what services to tax and which ones not to tax. This will be an accounting and monitoring nightmare. Get rid of ANY TAXES ON SERVICES!! Wed, 10/3/07 3:16 PM

Find **356.** My clients allow a monthly budget for my services. One client has already told me that my service fee plus the new service tax must equal the existing monthly budget. In other words, I'll be absorbing the tax. Also, I'm really confused as to why education spending is always held over our heads whenever spending cuts are an option. It's not like we get a dollars worth of improvement for every dollar in education spending we save. Our education system is not very good. I believe if money were cut from education, no decline in results would be seen. Wed, 10/3/07 3:05 PM

Find **357.** I am a Private Investigator. Business has been very slow due to less litigation, higher espences. Now I will have to tell my clients that not only I have to charge so much, now I have to add a 6% Sales tax. This will make my income worse, more paperwork, etc. Also, The single Business tax hit everyone. This sales tax change discriminates. My accountant helps people, private Investigators help people. What is the difference? Why should Ski Businesses have to pay but Bowling Alleys are exempt. This is a bunch of BS. I am so glad that I am near retirement. My business is getting to competitive and the clients too few. If I could leave Michigan, I would. Wed, 10/3/07 3:02 PM

Find **358.** Our business is recognized at the pre-eminient consulting firm in purchasing and supply chain management. It is likely that we will continue to work our cost and value improvement programs with clients outside of Michigan. If we do work with clients that could use our help, Wed, 10/3/07 2:56 PM

there a premimum rate will be charged for the extra administration in addition to the tax.

Find **359.** Taxing services performed by some of the lowest paid people in the state makes no sense. To a large extent many of these services are discrentionary and at some point individuals may decide not to purchase these services, such as manicures, resulting in lost business. Even if that doesn't happen, I envision many self-employed individuals being burdened by the administrative time and cost to track and submit the new taxes. This will in turn increase the cost of the service, which may cause others to forego these services. I am still struggling to understand how someone will pay the tax on coin-operated photographic machines, coin-operated locker rentals and coin-operated blood pressure machines. Clearly the proprietors of these services won't be able to absorb the tax increase, yet it could cost a fortune to retrofit the machines. Wed, 10/3/07 2:52 PM

Find **360.** It will be hard to implement with respect to overlapping areas, e.g. financial consulting and legal advice. Also, it will cause a loss of business and jobs in Michigan as high value consulting work moves out of state. Most consulting work can be done from any state without affecting service to the client. Wed, 10/3/07 2:50 PM

Find **361.** The new sales tax on services could very well put me out of business with my largest client. I estimate that this additional tax will add $35,000 to the cost of doing business with my small company. If the State of Michigan wants to drive small business away, this is a GREAT way to go about it. Wed, 10/3/07 2:46 PM

Find **362.** Don't drive more people and businesses to states with a friendly tax climate! Shrink government to reflect the shrinking population and moderized systems of 2008. Wed, 10/3/07 2:44 PM

Find **363.** The tax on services is confusing -- what is covered and why those services were chosen is very unclear. Wed, 10/3/07 2:41 PM

Find **364.** if they cut down on all the privleges that the prisoners get I am sure they could save a lot of money. Take examples of prisons in TX and AZ. Prisoners work, have little or no A/C, TV and luxury food items such as coffee and juice. Prison should not be a hotel. Wed, 10/3/07 2:37 PM

Find **365.** This new tax is on many business who do not now have to file monthly sales or use tax forms - such as family owned cleaning survices. The paperwork will be a burden for the business, and when considering the amount of administrative costs for the state, I would expect a net loss of revenue. If the state spending is as thrify as possible, there should be another way to increase revenue than this tax on services. Wed, 10/3/07 2:34 PM

Find **366.** Everyone is scaling back, the State is losing people, our State government cant cut? Nonsense. Wed, 10/3/07 2:31 PM

Find **367.** The cost of the new tax expands beyond the rate increase that needs to be passed along to customers. It also creates administrative burden that creates cost that competitors out of state do not have. I believe many Michigan based consulting firms will now be put at a disadvantage. Wed, 10/3/07 2:30 PM

Find **368.** Increasing taxes in this economy is simply the most incompitant action by Michigan government I've seen in my 47 years living here. I will be circulating the recall petitions for the governor and everyone who voted for it in our district. With a 40 billion dollar pocket book you tell be you could not find the 2 billion in waist. I'll make you an offer to bring my pen to Lansing and show you how. We'll call it basic training! Shame on all who passed this crap. I can not wait to vote. Wed, 10/3/07 2:29 PM

Find **369.** DRIVING MICHIGAN RESIDENTS AWAY FROM THE STATE AS THERE ARE NO JOBS AND TAXES ARE TOO HIGH. ANY BUSINESS WANTING TO MOVE TO MICHIGAN WILL Wed, 10/3/07 2:28 PM

NOT COME BECAUSE OF ALL OUR ADDED TAXES ON INCOME AND SERVICES.

Find	370.	The State legislature and Governor have proven that they do not have the backbone to do what private business must do and does when there is a reduction in revenue- cut expenses, reduce overhead and, unfortunately, reduce the number of employees. Raising any taxes is counterproductive to the state recovery.	Wed, 10/3/07 2:25 PM
Find	371.	I recognize that in the short run, the state may need to enhance revenue. That should be done through higher personal income taxes rather than through higher or new business taxes. I will be telling our governor and our legislative leaders just that by mail and by phone.	Wed, 10/3/07 2:24 PM
Find	372.	It will effect small business owners. Some who have lost their jobs and are trying to take a second chance on life and remain in the state.	Wed, 10/3/07 2:23 PM
Find	373.	It is counterproductive and will hurt the economy of the state.	Wed, 10/3/07 2:20 PM
Find	374.	It is unclear what service businesses are to be taxed. The cost of compliance will be overwhelming and will absolutely drive out a significant number of startup and struggling businesses. NOT what we need to burden businesses with in this economic climate. This will further deepen our economic crisis. Not good for Michigan.	Wed, 10/3/07 2:20 PM
Find	375.	The Business Tax "fix" earlier this year already created new 'sales' taxes on Gross receipts (sales). Now we have a sales tax on those same sales. Presumably, if after all of this we somehow have anything left, it gets taxed as profits in the other component of the business tax 'fix'. How dumb is that?	Wed, 10/3/07 2:19 PM
Find	376.	The compliance burden to business related to this new sales tax on services is going to be signficant and is just one more reason new business are going to shy away from moving here. I wonder if Ms. Granholm told Toyota that it was going to cost them 6% more on several costs when they agreed to move a tech center here. The next company is going to think twice.	Wed, 10/3/07 2:17 PM
Find	377.	No sales tax increase...very regressive tax.	Wed, 10/3/07 2:14 PM
Find	378.	I think we need to ask what services would they like to cut to make up the budget problem. I don't know of anyone that likes any new tax and so this survey is a little misleading and, perhaps, self srving.	Wed, 10/3/07 2:14 PM
Find	379.	Would have preffered an overall increase in sales tax and NO increase in income tax. Let those outside MI help pay for services.	Wed, 10/3/07 2:12 PM

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