



MEMORANDUM

To: Members of the House Committee on Tax Policy



From: Michigan Association of School Boards
Michigan Education Association
Middle Cities Education Association
Michigan Association of School Administrators
Michigan Association of Intermediate School Administrators
AFT Michigan
Michigan Elementary and Middle School Principals Association
Michigan Association of Secondary School Principals



RE: Opposition to House Bills 5074-5076

Date: December 1, 2015



We write today in opposition to House Bills 5074-5076 which would exempt data centers from sales, use and property taxes. While we understand these bills are being pushed to help bring new business to Michigan, they have an adverse effect on the School Aid Fund and local property tax revenues.



We urge you to oppose these bills until our local schools are held harmless by the cuts proposed. The House Fiscal Agency estimates that these bills could cost between \$20-30 million in revenue. As you know, a large portion of sales and use tax is dedicated to the School Aid Fund. This cut is based on existing data centers, not new businesses.

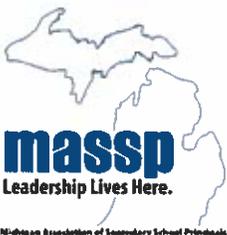


Also, our concerns lie in the bigger picture. While these particular bills may only cause a small decrease in revenues, when added to the many other policies passed in recent years, revenue streams to the School Aid Fund and local schools continue to be eroded.

This session, committees in the House have passed bills that cut at least \$46 million annually and six bills for which the negative effect is indeterminate.



We urge you to look very closely at this bill and similar ones and the collateral damage they have over time. Our schools will continue to see cuts if the School Aid Fund does not receive the revenue necessary to support our students and communities.



If you have any questions, please feel free to contact any of us in the education community listed.