



**AMERICANS FOR  
PROSPERITY.**  
MICHIGAN

**DAY AT THE CAPITOL  
MARCH 29, 2017**

Anderson House Office Building  
Mackinac Room (5<sup>th</sup> Floor)  
124 N. Capitol Ave.  
Lansing, MI 48933

**8:30-9:00 AM BREAKFAST SERVED**

**9:00-10:00 AM OPENING SESSION**

Pledge

Pete Lund – *Americans for Prosperity-Michigan*

Speaker Pro Tempore Lee Chatfield

House Majority Floor Leader Dan Lauwers

State Representatives Lana Thels, Jim Runestad, Aaron Miller

State Senators Pat Colbeck, Judy Emmons, Joe Hune

**10:00-11:30 AM HOUSE & SENATE OFFICE VISITS**

**11:30-11:40 AM GROUP PHOTO AT THE CAPITOL**

*(meet in front of the Michigan Capitol Building at 11:30 AM)*

**11:45 AM HOT LUNCH BUFFET**

Pete Lund – *Americans for Prosperity-Michigan*

Michigan House Speaker Tom Leonard

State Representatives Gary Glenn, Jim Tedder, Steve Marino, Jeff Noble,

**1:15-2:15 PM CLOSING SESSION, "How to Influence Your Legislator"**

Michael Ciccio, Grassroots Leadership Academy



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## INCOME TAX REDUCTION

### **What is it?**

State lawmakers are weighing an income tax cut that would deliver roughly \$1 billion back to taxpayers like you. In 2007, taxpayers were promised their taxes would go back down when Gov. Granholm signed a "temporary" rate increase (3.9% to 4.35%) into law. Instead, Gov. Snyder stopped the 2012 phase-down and locked in the tax hike at 4.25%.

### **Why should I care?**

Michigan currently enjoys a budget surplus of \$300-\$500 million. Reducing taxes back down to 3.9% would mean a lot to taxpayers like you. Research from the non-partisan American Legislative Exchange Council shows that states with lower income tax rates experience greater economic growth than high-income tax states. Reducing our income tax will help Michigan better compete for jobs and people.

### **Issue status.**

House Speaker Tom Leonard has made cutting income taxes his top priority. Unfortunately, HB 4001 failed by a razor-thin margin of just three votes. One Democrat (Scott Dianda) voted in favor. Twelve Republicans voted against cutting taxes. *The bill can be brought up for another vote through a motion to reconsider.*

### **House Bill 4001; SB 4**

House Bill 4001 sponsored by Rep. Lee Chatfield would take Michigan's income tax from 4.25% down to 3.9% over the next four years and then very gradually phase it out completely. Senate Bill, sponsored by Senator Jack Brandenburg, cuts the income tax down beginning next year and implements a four-year phase out. **We recommend a "YES" vote on either House Bill 4001 or Senate Bill 4.**



## UNION RECERTIFICATION

### **What is it?**

According to research from The Heritage Foundation, only 7% of private-sector union members were employed when their union was certified. That means 93% never had a say as to what union, if any, would best represent them and their needs. In the public-sector, the numbers look even worse, with even fewer employees able to vote for their union.

### **Why should I care?**

Rather than playing politics or lobbying for more and bigger government, Unions should focus their energy and dues money on representing their members. Unionized workers should be able to choose on a regular basis what union, if any, will best represent them. This will make unions more responsive and provide better value to their members.



### **Issue status.**

Pending introduction of legislation.

## PENSION REFORM

### **What is it?**

Government pension programs are underfunded and unaffordable. While state pension programs were reformed in the mid-90s, the public education system and many local governments still rely on defined benefit retirement programs.

The Mackinac Center for Public Policy estimates underfunding for the Michigan Public School Employee Retirement System (MPSERS) at \$26.7 billion, meaning only about 61% of the money needed to fulfill promises to retirees has been set aside. For local government, the liabilities are estimated at \$5.4 billion with the average city only funded at 67%.

### **Why should I care?**

With Detroit's bankruptcy in the rear-view mirror, it should be clear that underfunded pension programs pose a huge threat to taxpayers, state and local budgets, and public employees who are trying to plan for their retirement. They also suck resources away from current spending needs. The school retirement system eats up 36% of school payroll costs. That means less money for the classroom and fewer dollars for new teachers.

### **Issue status.**

Legislation introduced in last Legislative Session died in committee. Currently, a task force put together by Gov. Snyder continues to meet and study the issue of pension reform.



## CRONY TAX CREDITS

### **What is it?**

According to the American Legislative Exchange Council, "Tax cronyism occurs when the government gives a special tax carve-out to a particular business or industry, rather than keeping taxes low and the playing field level for all businesses to compete."

### **Why should I care?**

When government selects economic winners and losers, it undermines the American values of entrepreneurship and competition. Instead of a level playing field on which all can compete, a few politically connected businesses stand to benefit. This makes it harder to keep taxes low for all businesses and workers.

### **Issue status**

Even as legislation to reduce personal income taxes has stalled (for now), two bill packages create billions in new tax giveaways for certain developers. SB 111-115 got its first hearing in the House Tax Policy Committee chaired by Rep. Jim Tedder last week.

### **Senate Bills 111-115 ("Michigan Thrive")**

### **Senate Bills 242-244 ("Business Leaders for Michigan")**

SB 111-115 would allow certain developers to take a percentage of the income taxes generated from an area designated as a Tax Increment Financing zone by the Michigan Strategic Fund. The bill stands to benefit one Detroit developer in particular. SB 242-244 authorizes tax abatements that allow withholding tax to be transferred to certain businesses as authorized by the Michigan Strategic Fund. **We recommend a "NO" vote on SB 111-115 and SB 242-244.**

