

Rep. Sheen To Business Groups: 'Aim Higher' – MIRS 10-15-07

FairTax proponent Rep. Fulton SHEEN (R-Plainwell) is telling the coalition of business groups trying to repeal the recently passed use tax expansion that they're aiming too low.

Keep in mind that if the business groups spend time and money in an uphill battle to repeal the services tax, it could put Sheen's FairTax initiative in jeopardy. Obviously some in the coalition already support the FairTax while others might be expected to hop on that bandwagon if it picks up momentum in the future. But if these groups divert energy and treasure toward the repeal, there might not be much left to push the FairTax.

Sheen said, in written testimony, that he would support repealing the services tax, but even if that uphill battle were won, it might not accomplish much.

"I am not sure if you are talking referendum, as with the SBT (Single Business Tax), or a statewide ballot amendment," Sheen wrote to the coalition. "My concern with a referendum is the Legislature could turn right around and do it all over again as they did when we replaced the SBT with the MBT..."

Following this lead-in, Sheen pressed the business groups to see the adoption of the Fair Tax as the solution to what they're up at arms over and that the situation is ripe for the sort of major change the FairTax would bring.

"We have a unique opportunity before us," Sheen wrote. "Michigan has never been in the situation it is right now."

He then pointed out that unlike times in the past, Michigan did not rebound from the 2000-2002 recession with the rest of the nation, which has experienced growth for four straight years. He then added that simply repealing the services tax would have little effect on the state's overall economic problems. Then, of course, Sheen argued that backing his FairTax plan would be the best way to get rid of the services tax.

"The repeal of the services tax is a battle worth fighting, but what if you could accomplish more? What if you could win the war?" Sheen wrote. "What if we could change the entire Michigan tax structure and totally eliminate the Personal Property Tax, Gross Receipts Tax and Business Income Tax, all of which are components of the MBT, as well as the Michigan Income Tax."

The obvious question the Small Business Association of Michigan (SBAM) seems to face is whether to get on board the campaign to repeal the services tax or just keep pushing the FairTax, which it already supports. Today MIRS attempted to get reaction from SBAM, but failed to reach someone with authority to comment.