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*"For Truth in Taxation  
and Job Creation"*

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## Press Release

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### For Immediate Release

#### *Michigan FairTax Association Endorses "Ax the Tax"*

The Michigan Fair Tax Association (MFTA) Board of Directors has voted to support the effort to repeal the unpopular and ill-conceived sales tax on services that was enacted one month ago in the dead of night by the Legislature and governor. The basis for this decision of the MFTA is that the legislatively passed sales tax increase is a serious threat to Michigan's economic future and is inconsistent with the principles of the MI FairTax reform proposal.

"The legislature balanced the state budget by increasing taxes rather than by cutting spending and making fundamental changes to our tax structure." Roger Buchholtz, MFTA state director went on to say, "We see an unfortunate pattern by our legislature of ignoring the opportunity for beneficial tax reform. It was only a year ago when after first eliminating our job killing Single Business Tax, the legislature simply renamed it the MBT, created more loopholes, reshuffled who had to pay it, and added a business income tax. Then in a midnight session a month ago they passed a 12% increase in the state income tax and arbitrarily expanded our 6% sales tax to some services. These ill-conceived tax increases will drive more jobs out of Michigan and deepen our single state recession."

The MI FairTax proposal is true tax reform that will not increase taxes overall and will boost the Michigan economy. It seeks to replace Michigan's current sales tax, income tax, and most business taxes (including the new MBT) with a simple retail sales tax on all goods and services. It is true that the MI FairTax will increase the sales tax rate by 3.5% but by taxing only personal consumption citizens will be taxed only once, thus, eliminating the multiple layers of hidden taxation imposed on citizens by the current tax system. In addition, we would keep the 4.35% currently taken from us in state income taxes. The MI FairTax would simplify taxation, create tax fairness by eliminating all loopholes, protect the poor by eliminating taxes on necessities, and make Michigan business and labor more competitive by removing taxes hidden in today's prices

"I support the repeal of the services tax on the job providers and the citizens of Michigan, but I wouldn't stop there, I would reform and change all statewide taxation. Why settle for dealing with only part of the problem, when you could change it all," said State Rep. Fulton Sheen sponsor of Resolution L which would place the MI FairTax Proposal on the November 2008 ballot. "If the legislature and governor do not repeal the new tax on services the citizens of Michigan must act to Ax the Tax, but even better, ax it all and fundamentally replace it with a better tax system."

Tommy Brann, President of Brann's, a Michigan restaurant chain said, "Unlike the recently passed income tax increase and new sales tax on some services, the MI FairTax is NOT a tax increase. It will simply replace current revenues by taxing citizens directly rather than hiding Michigan taxes in the prices of Michigan made products. Let's stop the political games and get real. Ax the tax, but don't stop short. Let's deal with the whole problem and pass the MI FairTax."

**More information is available at [www.mifairtax.org](http://www.mifairtax.org).**