



*"For Truth in Taxation  
and Job Creation"*

Michigan FairTax Association  
PO Box 703  
Sterling Heights, MI 48311-0703

Ph: 586-871-7147  
Web: [www.mifairtax.org](http://www.mifairtax.org)  
Email: [info@mifairtax.org](mailto:info@mifairtax.org)

Contact: Roger Buchholtz  
MI FairTax Director  
269 345-0950

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## **More Stable Revenue Source**

(Lansing, MI - March 19) The Senate Fiscal Agency's February report on Michigan revenue collection showed a staggering 31% decline in overall tax collection in February, compared a year-ago, highlighted by drastic revenue shortfalls from business taxes and income taxes.

State Income tax revenue was down 144% and business tax revenue was down 175%. As has been the case historically, sales tax receipts proved to be far more resistant to the state's recession posting a meager 17.8% drop compared to February 2008, and only a 10% drop from FY 07-08 to FY08-09.

"Evidence continues to show that in spite of the historic nature of our state's economic downturn, sales tax revenue is a far more reliable form of funding," says Michigan FairTax Association (MFTA) state director, Roger Buchholtz. "We'll continue to work with State legislators on promoting new tax reform, incorporating the MI FairTax which will provide residents and small business owners the quickest relief possible."

According to economists, the MI FairTax dramatically: lowers the cost of tax compliance of citizens, businesses and government, eliminates loopholes so everyone pays their fair share, reduces the underground economy and generally makes Michigan made products more competitive.

Buchholtz stated, "The MI FairTax proposal will fully fund state government and make Michigan the most attractive place in America to locate a business. The MI FairTax is a simple retail sales tax that will replace the state income tax and most state business taxes. It has a "prebate" that untaxes the poor and causes the effective tax rate to increase as spending increases." He continued "The effective tax rate for the typical Michigan family of four earning \$50,000 per year would be only 2.7% after the prebate and other untaxed spending is considered.

The MI FairTax also eliminates the ruse of business taxation. Buchholtz emphasized that, "Businesses have never paid taxes! We citizens pay all business taxes when we purchase their products and services because business taxes are passed on to the final purchaser in higher prices. By eliminating these hidden "business" taxes we lower the cost of products made in Michigan which makes Michigan labor and business more competitive and will bring companies and jobs back to Michigan."

Buchholtz stated, "The MI FairTax is the solution to Michigan's revenue and job problems." More information on the MI FairTax, including how citizens can become involved in the tax reform effort, is available at: [www.mifairtax.org](http://www.mifairtax.org).