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Nolan Finley

Voters must fix tax mess themselves



I've always found amusingly Quixotic the zealous Fair Tax guys who show up at political gatherings with their booths, baseball caps and giant buttons. Sure, they have a great message -- simplify the tax code, file your return on a post card, put the government on a tight budget.

But I never found it worth wasting a whole lot of time watching them tilt at tax code windmills they'd never topple.

Now, they can pin one of those big buttons right on my lapel. Gov. Jennifer Granholm and the Legislature have set Michigan on the road to perdition, and the only way to redeem the state is for voters to force radical change themselves.

The absolute fealty of the current crop in Lansing to their labor union lords made a sensible, reform-driven budget impossible, even in the face of the worst economic crisis in 50 years. Instead of signaling a new day in Michigan, they pledged allegiance to the past.

Across the country, pundits are asking, "Let me get this straight: You folks in Michigan have the nation's highest unemployment rate, the most rapidly shrinking household incomes, the slowest-growing economy, and you think a massive tax hike will make things better?"

Of course, we don't. Put to a vote, that miserable tax-and-spend package would go down 3-1, if not worse. About the only defender of the plan is its owner, Granholm, who sounds almost desperate for us to believe she can improve the quality of our lives by taking more of our money.

So let's put a different solution to a vote. Package into one proposal all of the government reforms the politicians punted on, including shrinking the state payroll through privatization, bringing employee benefits in line with the real world and tossing out laws that protect labor's most favored status.

The unions will fight it with all they've got. But at some point Michigan taxpayers have to stop letting Big Labor and its Capitol stooges ruin this state.

Add to the ballot measure a plan for making Michigan's tax code more competitive -- the mission the governor and lawmakers aborted early.

I'd suggest extending the 6 percent sales tax to all services, excluding health care and business-to-business transactions, to raise roughly \$2.7 billion.

Even if \$700 million of that money was needed to cover the budget deficit after all the spending reforms were in place, it would still leave \$2 billion to split evenly between reducing the individual income tax and the business tax.

That would at least give Michigan something to brag about as it seeks to attract residents and job creators.

And the new sales tax on services is going to expand anyway. Does anyone really believe the 61 services that were placed on the taxable list last week won't in short order grow to 610, and then to 6,100 and beyond? We might as well get some good government in return.

Reform won't come out of Lansing. But it can come out of the ballot box. Michigan voters missed the opportunity to do that last fall; they can correct their mistake by bypassing the Bozos and doing the job themselves.

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