



Michigan Chamber Strongly Opposes

TAX INCREASE ON SMALL BUSINESSES

The recently-released state budget includes a proposal to increase the tax paid by small businesses, such as S-Corps and LLCs, from 4.25% to 6%. That equates to a \$280 million tax increase on small businesses!

- **41% TAX INCREASE** — This tax on small businesses was proposed to help pay for a \$300 million repeal of the income tax on government employee pensions. That tax break for public employees is simply unfair because private business retirement plans still pay the tax.
- **QUESTIONABLE FEDERAL TAX SAVINGS** — Government officials contend that the overall tax increase of \$280 million will be partially offset by federal tax savings; however, the administration's fuzzy math on this overture should be met with a high level of skepticism. Taxpayers should also be aware that the magic pot of money at the end of the federal government rainbow simply does not exist.
- **TAX CODE COMPLICATIONS** — In addition to increasing the tax burden on Michigan's small businesses to pay for rich government pensions, this proposal complicates our tax code. In recent years, Michigan finally became a top 10 state for business tax attractiveness. Any policy changes to diminish this accomplishment would be unwise.

The Michigan Chamber strongly opposes this tax increase and will work to cut any momentum it attains.

WE NEED YOUR HELP.

It's time to join forces and work to oppose this outrageous attack on small businesses. With member support, we can oppose this harmful proposal together and keep Michigan moving forward.



**MICHIGAN
CHAMBER**
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SINCE 1959

LEADING BUSINESSES. MOVING MICHIGAN FORWARD.

The Michigan Chamber is the unified voice of over 6,000 member employers, trade associations, and local chambers of commerce of every size and type in all 83 counties of the state. Chamber member firms represent over 1 million employees. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

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