



Independent study highlights risks of graduated income tax proposal

Nonpartisan Tax Foundation analysis points to significant small business impact, job losses, increased out-migration, and more – reaching far beyond ‘high earners’

(Lansing, Mich. – Jan. 21, 2026) – Seven of Michigan’s leading business organizations today released the following statement in response to a new independent [Tax Foundation analysis](#) of a pending 2026 ballot measure that would change Michigan’s Constitution and impose a graduated income tax on filers earning more than \$500,000 (single) and \$1 million (joint):

“Michigan’s business community supports investing in our state’s future, including education. But how we fund those priorities and outcomes matters. This independent analysis shows the proposed graduated income tax would not stop with a small group of high earners – it would gravely affect small businesses that employ millions of Michiganders and have significant consequences for jobs, wages and our state’s competitiveness. Major tax changes should be evaluated based on real-world facts and impacts, not slogans.

“We all share the goal of stronger schools and brighter futures for Michigan’s kids. But pitting education against job creation, wage growth and investment is a false choice. Undermining the economic engine that generates opportunity across our state weakens the revenue base that supports our schools, families and communities alike.”

— Joint statement from the Michigan Chamber of Commerce, Small Business Association of Michigan, Business Leaders for Michigan, Michigan Manufacturers Association, Grand Rapids Regional Chamber, Home Builders Association of Michigan, and Michigan Realtors.

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