

## **SCR-45, As Adopted by Senate, May 31, 2006**

Senator Sikkema offered the following concurrent resolution:

### **Senate Concurrent Resolution No. 45.**

A concurrent resolution to create the Joint Select Committee on Economic Growth.

Whereas, The single business tax, which was adopted in 1975, replaced a host of other business taxes with a modified value added system that was unique in its scope. The tax has been modified numerous times over the course of the years to make it friendlier to business, but these changes have never completely quelled the negative characteristics of the tax. In fact, the changes have ultimately distorted its value added nature, made it more complex, and, arguably, made it an even larger deterrent to economic activity and business recruitment in the state; and

Whereas, The single business tax has been reviled as being an odious, destructive, and onerous tax long overdue for replacement. Indeed, in 1999, legislation was adopted to phase out the tax over a 23-year period. This timetable was changed by 2002 PA 531 to eliminate the tax after December 31, 2009; and

Whereas, An initiative petition to repeal the single business tax on December 31, 2007 has been filed with the Secretary of State. Once the petition signatures have been verified, the Legislature, as set out in the Constitution, must either enact or reject the single business tax repeal without change or amendment; and

Whereas, The single business tax stymies business growth and the state's economic development efforts since it taxes jobs, taxes health care, and taxes businesses that do not turn a profit. Replacing the single business tax with a business tax that is more equitable, less complex, and more conducive to business recruitment, retention, and expansion and the associated job creation is one of Michigan's most pressing needs, as the future of our state and its economy is at a critical junction. Business tax replacement requires immediate and determined action by the Legislature to assure that good tax policy will be responsible public policy; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we hereby create the Joint Select Committee on Economic Growth. The joint select committee will be comprised of 3 members of the Senate appointed by the Senate Majority Leader in the same manner as standing committees in the Senate are appointed, and 3 members of the House of Representatives appointed by the Speaker of the House in the same manner as standing committees in the House of Representatives are appointed. The joint select committee shall report its findings and recommendations to the Legislature; and be it further

Resolved, That the joint select committee shall examine methods of business taxation that are conducive to business recruitment, retention, and expansion and the associated jobs that are created. The joint select committee shall also consider mechanisms to protect the integrity of the current tax credits including brownfield redevelopment, MEGA job creation and retention activity, expansion of venture capital in Michigan, business activity within Michigan's numerous renaissance zones, and similar economic development tools. The joint select committee, with the assistance of the directors of the Senate Fiscal Agency and the House Fiscal Agency, shall also examine ways to allow the agencies access to all business taxpayer information relevant to the development of a replacement business tax while providing adequate protection against inappropriate disclosure; and be it further

Resolved, That the joint select committee is hereby authorized to expend a maximum of \$10,000 in carrying out its duties and such additional expenditures deemed necessary by the chair of the committee and approved by the Senate Majority Leader and the Speaker of the House of Representatives. Payments for contractual services may be authorized by the committee chair, the Senate Majority Leader, and the Speaker of the House of Representatives.