

Legislative Report for MAT
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The 2009 - 2010 Legislature was sworn into office on January 14. The number one priority for the Republican led Senate is to dump the Michigan Business Tax surcharge by the 2010 tax year. Senate Bill 1, sponsored by Senator Mark Jansen, R-Grand Rapids phases out the 21.99 percent tax in two years, first dropping it to 11 percent this year. Jansen has commented that the legislation is critical as many businesses are "deciding whether to stay or leave this year and that the surcharge is considered the "most Egregious" problem by businesses." The MBT surcharge was born after the Legislature hastily passed a use tax on some services on October 1, 2007, which went over like a lead balloon with the business community. Democrats contend the surcharge cannot go away until a plan for replacing the roughly \$700 million in revenue is found to replace the budget hole.

Speaker of the House, Andy Dillon, D-Redford Township in his address to the new House stated that the state's property tax system needs to be fixed. Dillon said the business tax needs lowering and that could mean changes to the sales tax and the income tax under his vision of reforming the state's tax structure. "Everything is on the table" when it comes to a sweeping reform package that ultimately would need voter approval, Dillon told reporters.

On the first day of session a resolution for a part-time legislature and a repeal of term limits was introduced by Senate Majority Leader Mike Bishop, R-Rochester. Senate Joint Resolution "A" would chuck term limits for legislators first serving in 2011 or later, so it would not impact anyone currently serving. Starting in 2011, the Legislature would be barred from meeting for more than 90 consecutive days. The Legislature could be called upon to convene due to an "extraordinary occasion." The measure was referred to the Government Operations and Reform Committee chaired by Bishop. A joint resolution takes a two-thirds majority in both houses of the Legislature before it goes on the ballot.

During the 2007 - 08 session we were successful with getting three bills passed and signed into law. Public Acts 131, sponsored by Rep. Jeff Mayes, D-Bay City, legislation to exempt 70 foot crib trailers from tie downs requirements. Senate Bill 880/881, sponsored by Senator Michelle McManus, R-Lake Leelanau was signed into law by Governor Jennifer Granholm. Public Acts 555/556 clarify the sales/use tax exemption on logging equipment. This legislation moved through the legislative process with exceptional bi-partisan support thanks to the efforts of Senator Mike Prusi, D-Ishpeming and Rep. Mike Lahti, D-Hancock.

We will have a full plate this year as we continue to move our legislative program forward. Efforts to allow woodlots be defined as qualified agricultural property for property tax exemption purposes, legislation to allow a slasher to be hauled legally down the road, legislation to clarify the sales/use tax exemption on industrial processing equipment at sawmills, an effort to add the SIC Code to the new Michigan Business Tax (MBT) for logger contract services as was included in the former Single Business Tax (SBT) are all part of our 2009 legislative agenda.