

## **MIRS Capitol Capsule**

### **April 14, 2008**

#### **GOP: Down With The Income Tax Hike!**

Three House Republicans today sounded the call to repeal the income tax hike passed last year, but they spent the bulk of the press conference railing against government waste.

"Even if there's no repeal of the income tax," said Rep. Rick [JONES](#) (R-Grand Ledge), "We need to change the wasteful way we spend money ... If we don't change the way we waste money in Michigan, the only thing Michiganders will have left in their pocket is change."

Jones and fellow Reps. Bruce [CASWELL](#) (R-Hillsdale) and Paul [OPSOMMER](#) (R-DeWitt) listed a number of ways to save money, like cutting people off from welfare after four years, privatizing the Department of Human Services (DHS) child care application process and stopping illegal immigrants from taking \$60 million in Medicaid benefits. When asked the source of the last figure, Jones couldn't recall.

The lawmakers said the income tax increase from 3.9 to 4.35 percent cost the average family \$300. The Department of Treasury pegs the number at \$193.

"This could have gone to gasoline, the mortgage or to buy schoolbooks for their kids," Jones said of taxpayers.

*MIRS* asked the lawmakers if the emphasis on spending cuts indicated that the trio knew legislation repealing the income tax increase wouldn't pass.

"We think it should go through," Opsommer said.

"I doubt there will be much support from the other side of the aisle," Jones acknowledged. "We should be given the opportunity to vote on it. What we need is to change the constant waste in the state of Michigan, otherwise we'll be right back here in another year with the Governor with her hand out saying, 'We need money.'"

House Democratic spokesman Greg [BIRD](#) happened to notice it's an election year.

"I don't think this is any more than a political stunt," he said. "Thousands of police, firefighters and teachers would be laid off, and health care for seniors and children would be in immediate jeopardy. It's noteworthy to remind (Republicans) that they had the opportunity to support \$1 billion in cuts last year, and not one member supported them. This is the height of irresponsibility and the height of hypocrisy."

A Senate Republican source indicated the legislation was going nowhere because there was nothing to fill the \$744 million hole in the budget. That was the exact argument made by Treasury.

"We're talking about a rollback of three-quarters of a billion dollars," said spokesman Terry [STANTON](#). "It was one of the compromises of the budget that allowed us to continue to invest in education and protect folks without putting draconian cuts in place."

The Michigan Fiscal Responsibility Project, which includes several nonprofits, called Republicans' plan, "fiscally irresponsible pandering," noting that even after 2007 tax increases, state taxes today are lower than in 1999.

Mike [BOULUS](#), executive director of the Presidents Council, State Universities of Michigan, said the state's economy was in good shape in 1999, when the income tax rate was 4.4 percent.

"Michigan's current economic problems are far more related to decisions made in the auto industry than those made by state government. Since 2000, personal income in Michigan has increased by 19.3 percent, while state spending from state resources has increased 10 percent. No wonder we are struggling to balance our budgets."