

March 24, 2009

Dear Representative:

We are writing to express our deep concern about the many tax cuts, tax credits and other tax expenditure bills making their way through the legislative process. The one thing all of these bills have in common is that they will reduce revenues at the state and/or local level at a time when the state and its local units are already experiencing serious revenue loss.

In particular, we write in opposition to Senate Joint Resolution H and Senate Bill 346. Senate Joint Resolution H would result in a revenue loss of approximately \$253 million in the first year alone. Senate Bill 346 is estimated to reduce state revenue by over \$21 million in its first year. Without new revenue to replace these lost revenues, very painful cuts will have to be made at the state and local level.

We understand the temptation and appeal of cutting taxes during difficult economic times, but tax cuts are not the answer. As you know, Michigan faces a serious structural budget deficit problem. Cutting taxes will only exacerbate that problem. We urge you to resist the temptation to cut taxes and instead to look at reforming and modernizing Michigan's revenue structure to create revenue sources that are adequate, fair and stable. If you choose this path, we pledge our support to work with you to improve both the fairness of Michigan's revenue system and its responsiveness to a changing economy and the growing demand for public services.

Again, we urge you to oppose SJR H and Senate Bill 346, which could cripple services at the local and state level. We also encourage you not to pass any piecemeal tax cuts or breaks that permanently erode revenues until there is a comprehensive discussion on Michigan's tax and revenue structure.

Sincerely,  
AARP Michigan  
American Federation of Teachers Michigan  
Michigan AFSCME Council 25  
Michigan Association of School Boards  
Michigan Coalition for Children and Families  
Michigan Community College Association  
Michigan Council for Maternal and Child Health  
Michigan Education Association  
Michigan League for Human Services  
Michigan Municipal League  
Michigan Nonprofit Association  
Michigan Osteopathic Association  
Michigan Primary Care Association  
Michigan's Children  
Middle Cities Education Association  
Presidents Council, State Universities of Michigan