

# **MICHIGAN BUSINESS & PROFESSIONAL ASSOCIATION MICHIGAN FOOD & BEVERAGE ASSOCIATION SBT Replacement Guidelines**

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**Replacement tax(es) should adhere to these guidelines:**

## **1. FOLLOW THE STANDARD PRINCIPLES OF TAXATION**

- *Simplicity* - streamlined and less complicated
- *Equity* - all businesses pay relative to their annual profits
- *Stability* - replacement provides reliable revenue source, but is still flexible to the shifts of Michigan's economy
- *Economic growth*

## **2. CULTIVATE JOB RETENTION AND CREATION**

- Retain credits for small business
- Avoid regressive taxes
- Exempt small business generating \$500,000 or less in sales
- No profit, no tax

## **3. ENCOURAGES NEW INVESTMENT IN MICHIGAN**

- Provide temporary tax break for relocation to Michigan
- Reduction in personal property tax with eventual elimination

## **4. PROVIDE OVERALL TAX RELIEF**

- Replacement tax should not generate more revenue than the SBT currently generates, ultimately providing more revenue for business to reinvest into the economy
- Eliminate tax on gross profit revenue used for healthcare coverage

## **5. ENHANCE COMPETITIVENESS WITH OTHER STATES**

- Benchmark costs of replacement tax against doing business in other states, to ensure Michigan's competitiveness