STATE OF MICHIGAN
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RICK SNYDER
GOVERNOR

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LT. GOVERNOR

May 7, 2012

The Honorable John Kline
Chairman
House Committee on Education and the Workforce
2181 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Kline:

As requested, I have attached Governor Snyder's response to Congressman Ross' question submitted for the record during your Committee hearing on "Expanding Opportunities for Job Creation" on February 1, 2012.

Please do not hesitate to contact me or Eric Brown on my staff at browne15@michigan.gov or (202) 624-5840.

Sincerely,

Bill McBride
Director
Washington DC Office

Question submitted for the record by Congressman Dennis A. Ross of Florida's Twelfth Congressional District. This question was posed by Congressman Ross, but responses were cut short due to time.

Question:

Governor Snyder, President Obama's bi-partisan fiscal commission, Simpson-Bowles, recommended in December of 2010 that corporate tax loopholes be eliminated and that the corporate tax rate be reduced from thirty-five percent to twenty-six percent. This proposal would allow states leverage in incentivizing economic development by allowing them more opportunities to attract corporations to do business. Do you support these recommendations made by the Simpson-Bowles Commission, and why, or why not?

Answer:

As Governor, my focus has and continues to be on Michigan. Thus, although I am not entirely familiar with the specific provisions of the Simpson Bowles plan, in Michigan we worked to achieve a tax system that is simple, fair and efficient. I believe the same principals should inform the federal government in its approach to tax policy.

A good tax system at any level has three basic principles – simple, fair and efficient. Our previous system violated all three of these principles for both businesses and individuals. Working together, we eliminated the Michigan Business Tax. In addition to failing the three principles, the MBT was a job-killer that imposed an unfair double tax burden on our best job creators – our small- and mid-sized business owners. Although it didn't disappear until the end of 2011, many business people gained confidence in our future and have already taken action. We also completed a major reform of our individual tax system. We changed the personal tax system to one defined by fairness, one that doesn't treat anyone better than someone else. We leveled the playing field to give all Michiganders a fair shake