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CONTACT: Matt Bach  
734-669-6317, [mbach@mml.org](mailto:mbach@mml.org)

## Michigan Voters Overwhelmingly Oppose Proposal to Cut the Personal Property Tax

### *Voters in November More Likely to Punish Legislators Who Back Current Scheme*

**LANSING, Mich.** — Michigan voters overwhelmingly oppose efforts in the Legislature to cut the business personal property tax (PPT) unless lawmakers guarantee the funds are replaced in full and continue going directly to local communities and services, a new EPIC-MRA survey has found.

The PPT is paid by local Michigan businesses to the local communities where they are located. The PPT generates nearly \$1.3 billion a year for local police and fire services, local libraries, local roads and bridges, local public schools, and other local services. PPT revenues go directly to local communities — not to the state Legislature.

Next week, hearings are scheduled to start in the state Senate on legislation expected to significantly cut the PPT and replace only some of the funds. However, the PPT replacement funds would no longer go directly to local communities for local services. Instead, the Legislature would give itself the power to decide how the replacement funds are appropriated, which means almost certain funding cuts for local services and schools.

“Michigan voters continue to overwhelmingly oppose ending or significantly cutting the personal property tax because they understand it pays for important local services that also would have to be cut,” said EPIC-MRA’s Bernie Porn, who conducted the poll of 600 voters (error margin  $\pm 4\%$ ) March 31 to April 3 on behalf of the Replace Don’t Erase coalition. “And, if the PPT is going to be cut, voters support replacing the funds with revenues guaranteed to continue to go local communities. They don’t want the Legislature to take control of the funds from the local communities that receive the revenues today.”

“Bottom line: Michigan voters simply don’t trust or believe the proposal to cut the PPT that appears likely for introduction in the Senate,” said Dan Gilmartin, CEO and executive director of the Michigan Municipal League, a member of Replace Don’t Erase. “Voters don’t want the Legislature to take away, and take control of, all or part of the revenues local communities and schools receive directly today. Voters know that if the Legislature takes these revenues from local communities, it will never come back to those communities without some type of legal guarantee.”

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Deena Bosworth, legislative coordinator of the Michigan Association of Counties, said local voters know that over the years, Legislature after Legislature and Governor after Governor have broken promises to return tax revenues to local communities and services.

“Without a guarantee, these funds won’t be fully replaced and continue to go to local communities and schools; local voters simply don’t trust Lansing to keep its word,” Bosworth said. “We have lived through broken promise after broken promise.”

Don Wotruba, deputy director of the Michigan Association of School Boards, said slashing the PPT without replacing the funds would trigger property tax increases in “literally hundreds of school districts and communities with libraries where bonds are being repaid with PPT revenues.”

“Legislators need to understand that local school districts and libraries in many communities received voter approvals over the years to bond for major capital projects,” Wotruba said. “The PPT revenues are used to secure and repay the loans. If the PPT revenues are cut, the loans still must be repaid. The only option is a property tax increase for thousands of homeowners.”

The EPIC-MRA survey also found Michigan voters in November would be less likely to elect legislators who vote for this type of proposal.

“Legislators who vote for cutting the personal property tax without replacing the funds with revenues that continue to go directly to local communities and local schools will face a tougher time with Michigan voters in November,” Porn said.

Key findings of the EPIC-MRA survey include:

- 70% of Michigan voters oppose (43% strongly oppose) eliminating or significantly cutting the personal property tax. In this question, voters were told the PPT pays for local services such as police and fire protection, schools, etc. They were also told that supporters of cutting the PPT say it will encourage businesses to invest more in machinery and equipment and create more jobs.
- Opposition to eliminating or significantly cutting the personal property tax increased to 78% once voters learned that cuts to local services (police, fire, schools, parks, libraries, and more) would likely result.
- Opposition to eliminating or significantly cutting the personal property tax also increased to 78% once voters learned that local property taxes would automatically increase in local communities with school districts that are repaying bonds with PPT revenues.

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- 58% of voters said they would support (31% would oppose) a constitutional amendment to require the Legislature to fully replace all of the revenues and guarantee the funds continue to go to local communities and local schools.
- 59% of voters would be less likely (39% much less likely) to vote for their legislator in November if the legislator votes for a proposal that eliminates all or part of the PPT and fails to replace the funds with revenues that continue to go directly to local communities and schools.

More about the Replace Don't Erase coalition can be found at [www.replacedonterase.com](http://www.replacedonterase.com).

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