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TV commercial asks Granholm not to raise taxes

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Lansing -- An anti-tax group launched a TV ad campaign today imploring Gov. Jennifer Granholm to keep a year-old promise not to raise taxes to resolve the state's budget shortfall.

Americans for Prosperity started a limited \$50,000 commercial buy in Detroit, Lansing and Grand Rapids markets. The 30-second spot shows Granholm making a promise during her 2008 State of the State address not to raise taxes, followed by people-on-the-street interviews urging the governor to keep that promise and closing with: "Tell your legislator to help the governor keep her promise and vote no on her proposed tax increases."

Granholm has proposed during closed-door budget talks an entertainment tax, an increase in beer and cigarette taxes, closing business tax loopholes and other revenue-raising plans. The state is looking at a \$2.8 billion budget hole for the fiscal year that starts Oct. 1. Legislative leaders and the Granholm administration are negotiating how to best fill the gap with a combination of tax and fee increases, budget cuts and federal stimulus money.

Granholm has said she expects to have an agreement by the end of the month, averting a government shutdown similar to what happened in 2007 as budget talks stalled. The state is required by its constitution to have a balanced budget.

Scott Hagerstrom, state director for Americans for Prosperity-Michigan, said a state with a 15 percent unemployment rate can't afford another tax hike.

"Michigan families are hurting," he said. "We need an atmosphere that will bring jobs and investment to Michigan."

He advocated budget cuts and government reforms and added that closing loopholes could be considered in an overall tax restructuring plan. Hagerstrom said his group opposes raising the gas tax, fees and targeted levies such as the beer tax and the ticket tax.

Liz Boyd, spokeswoman for Granholm, said the governor remains opposed to a general tax increase.

"The governor has said all along that she does not support a general tax increase, and there is no will for a general tax increase," she said. "So this is singing to the choir."

David Holtz, executive director of Progress Michigan, called the TV ad campaign "pretty inconsequential," adding that the real issue for the state is "how we do reforms," including consideration of extending the sales tax to services and eliminating business tax credits that don't work.

"Are we at a point where we really want to cut to the bone services people rely on?" Holtz said.

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