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## **Michigan Dems offer tax plan State's Single Business Tax due to expire at end of year**

ASSOCIATED PRESS

LANSING - A new business tax plan detailed yesterday by House Democrats would reward companies that create jobs in Michigan, but could shift more of the burden to those headquartered out of state and insurance companies.

The long-awaited House plan got support from Democratic Gov. Jennifer Granholm, who called it a "good compromise" that incorporates some of her own ideas. Senate Republicans didn't rush to embrace the plan but didn't shoot it down, either.

It could take at least a few more weeks for Ms. Granholm and the Legislature to figure out how Michigan will replace its current Single Business Tax, which expires at the end of this year. There are several competing plans, and a key issue may be how much revenue the new tax should bring in

Democrats say the revamped business tax should collect at least as much as the one it replaces - nearly \$2 billion a year - to protect government services. Many Republicans would rather see some overall tax relief for businesses.

"The main focus of this plan is that it rewards businesses that invest in Michigan, whether it's [research and development], hiring people or investing in equipment," said House Speaker Andy Dillon (D.,Redford).

About \$700 million in new tax credits would be available for businesses that create jobs or make other investments.

The businesses that could face higher rates or overall bills would include insurance and possibly some other financial companies, and businesses that sell products here but haven't done as much to create jobs within the state.

The Democratic plan also reduces personal property tax rates for businesses.