

MEMORANDUM

To: Members of the House Tax Policy Committee

From: Michigan Association of School Boards
Michigan Association of Administrators of Special Education
Michigan Association of Secondary School Principals
Michigan Association of Superintendents & Administrators
Middle Cities Education Association
Michigan Education Association
Education Advocates of West Michigan
Michigan Association of Intermediate School Administrators
AFT Michigan

RE: Opposition to House Bills 5683-5684

Date: Feb 16, 2022

As public education organizations, we urge your opposition to House Bills 5683-5684. These bills would exempt pet food from sales and use taxes.

As you know, approximately 73% of all sales and use tax revenues go to the School Aid Fund. According to the House Fiscal Agency, these bills would reduce revenue to the School Aid Fund by more than \$70 million a year.

While currently we are seeing record revenues in the SAF, much of this is tied to one-time federal funding that is dedicated for certain reasons. This proposed cut would continue in perpetuity without revenue to fill the hole created.

We have concerns with the larger picture; this continued erosion of revenue streams to our local schools will harm investment in our classrooms. Every year we see bills introduced and many enacted that negatively affect the various revenue streams to the SAF. We urge you to oppose these bills and instead engage in conversations about what and how taxes should be applied in our state.

Again, we urge you to oppose these bills due to the continued cut to revenues for our schools. If you have any questions, feel free to contact any of us listed.



MASB
MICHIGAN ASSOCIATION
OF SCHOOL BOARDS



Middle Cities
EDUCATION ASSOCIATION

