



City of Walker, Michigan
Office of the Mayor
Gary L. Carey, Jr.

June 8, 2021

The Honorable Representative Matt Hall, Chair
and Members of the House Tax Policy Committee
PO Box 30014
Lansing, MI 48909-7514

Dear Chairman Hall:

I am writing to express strong opposition to the current proposal (HB 4513) before your committee to eliminate the ability of municipalities such as Walker to levy personal income tax for non-residents who work principally in our city but may reside elsewhere.

The ability to levy income tax at current levels is essential to providing services to citizens, employers, and non-residents working in Walker.

The fiscal effect of the current proposal, HB 4513 will be catastrophic for our city: in budgetary terms, non-resident income tax collections amounted to 40% (2016), 35% (2017), 34% (2018), and 35% (2019) of our income tax revenue. In dollars, the revenue from non-resident collections amount to \$4,264,140 (2016), \$3,580,719 (2017), \$3,788,166 (2018), and \$3,933,896 (2019). Income tax revenue accounts for over 75% of general fund revenue each year. Effects from this potential shortfall will be experienced by all who depend on the City, for virtually all services, and this deficit will be felt almost immediately with little or no opportunity to recoup revenues to supplement effective administration.

While our City Manager and I will be sharing our concern with our legislators, please let me respectfully implore you to avoid reducing our services and their effectiveness by eliminating a totally justifiable and equitable system for the generation of essential revenue. It is essential that committee members realize that disruption of this successful, long-standing system would constitute a significant disservice to our citizens and businesses. I strongly urge you to oppose passage of this potentially damaging legislation. Thank you for your consideration and action in this matter.

Gary Carey, Jr., Mayor
City of Walker

cc: The Honorable Members of the House Tax Policy Committee
The Honorable Representative Pamela Hornberger
The Honorable Representative Mark Huizenga