

## MMA Testimony on HB 4999 (VerHeulen)

### House Committee on Michigan Competitiveness

**9/27/2017**

Mr. Chair, thank you for the opportunity to speak in support of HB 4999, I am Mike Johnston, VP Government Affairs, MMA. We appreciate Rep. VerHeulen and the many sponsors of this legislation, recognizing the threat that local targeted product taxes pose to the Michigan economy.

Manufacturing is the largest sector of the Michigan economy. Michigan manufacturing is leading the nation in manufacturing job growth, creating 171,500 new jobs since June of 2009. Michigan has a robust food manufacturing sector, which has been important part of the nation leading growth in Michigan.

- This issue is about competitiveness.
  - o Local laws that pancake costs and regulations on top of state laws damage our competitiveness. There are several reasons for this:
    - A patchwork of local laws communicates that Michigan is not a business-friendly state. So, our ability to attract new food producers, would be negatively impacted. Why would a food manufacturer come to a state where some local units can communicate negatively about your product, by imposing a targeted tax? This bill keeps the doors open for new food manufacturers.
    - If Michigan companies are prohibited from selling products in their own state, it negatively impacts their bottom line here in Michigan. Local laws such as the soda tax in Cook County, Illinois negatively impact Michigan soda producers that sell their products in those states. Why would we want to allow local Michigan laws to negatively impact our own companies in the same way?
    - Exporting goods outside of Michigan is an important part of economic growth, because it brings in new revenue to the state. Adding a targeted tax on a product stigmatizes Michigan made products. If Michigan companies are prohibited from selling products in their own state, local units in other states might begin wonder whether they should do the same thing. So, this damages our ability to export products outside of Michigan, and damages our economy.

In closing, local units should not be allowed to negatively impact the state's business climate with a patchwork of local targeted products taxes. We support HB 4999.

Mr. Chairman, thank you for the opportunity to share the perspective of the manufacturing sector.