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To: The Honorable Members of the House Local Government Committee
From: Amanda Fisher, State Director
Date: October 5, 2022
RE: Please support HBs 5697 - Affirming the Protection of Trade Secrets

On behalf of small business owners in Michigan, we ask that you support House Bill 5697 which would codify protections of trade secrets and financial documents of businesses and individuals.

Small businesses are in a constant state of competition with others in their sector as well as new players coming in daily. American ingenuity knows no bounds and competition can be fierce between businesses. One advantage that businesses have is their trade secrets. Forcing them to expose their secrets and financial documents can give others an unearned benefit.

The Michigan Tax Tribunal is giving away corporate and personal secrets with their memorandums of practice. When a business is unfairly taxed and goes before the Michigan Tax Tribunal for reconsideration they must prove, with their financial documents, that their claims are just.

HB 5697 corrects that error and ensures that trade secrets stay just that, secret. Taxpayers shouldn't have to fear that their financials are going to be shared with the world simply because they are unfairly and unlawfully taxed. This is a commonsense bill that enshrines protections for our businesses and individuals. Additionally, this bill would put Michigan in compliance and concurrence with the United States Supreme Court precedent that recognizes taxpayers can have intellectual property rights in their confidential information and that that information should be protected. Government should not be in the business of sharing that information.

Again, we ask for your support of HB 5697 and your continued support of small business.