SPARK@ann arbor usa

November 9, 2016

The Honorable Ken Horn, Chairman
Senate Economic Development Committee
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909

Dear Chairman Horn:

It is my understanding that Senate Economic Development Committee is considering legislative recommendations that would expand available incentives to attract significant high wage job creating projects to the State of Michigan. Ann Arbor SPARK is supportive of the committee's consideration of this important issue because we believe that we need to identify new ways by which we can capture significant private sector investment in competition with other states.

Michigan has made great progress in the last five years to create a more competitive business environment. Reduced state debt, responsible, timely, and fiscally sound budgets, the replacement of the Michigan Business Tax with a simple Corporate Income Tax, and personal property tax reform have given Michigan one of the best business climates in the country.

The results speak for themselves – Michigan has created more than 440,000 private sector jobs. But other states, as well as places around the world, are not standing still. Michigan must and can do even better.

The states with which we are competing view incentives as an essential tool for creating jobs and net new revenue – not as a cost – and they treat economic development as a non-partisan issue. This is especially true of competitors in the South, including Alabama, Georgia, South Carolina, Tennessee and Texas. All of these states and many others have business climates as good as Michigan's and have stronger economic development tools than we have. Michigan is one of only two states that has a corporate income tax and offers no tax credits. Competing states, such as Georgia, Indiana, Iowa, Kentucky, Ohio, South Carolina, Tennessee, and Texas offer up to seven times more incentives than Michigan.

We need to level the playing field. Your committee's consideration of approaches that can come close to matching similar programs in competitor states is welcome. Approaches that do not impact the State or local government revenue picture are particularly welcome. Ann Arbor SPARK supports the committee's work in this area and is supportive creating new of this important economic development tools that will help Michigan build on the progress and momentum of the last five years.

Respectfully,

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President and CEO

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