

Fiscal Consequences of Ax MI Tax

An effort known as Ax MI Tax aims to eliminate all real and personal property taxes in Michigan. This ballot initiative is being pursued by individuals who say they “don’t care” about what is lost. This “don’t care” approach to the impact of this proposal devalues the importance of having shared interest and connections between community members.

This proposal will cut over
\$17.5 BILLION
in funding...

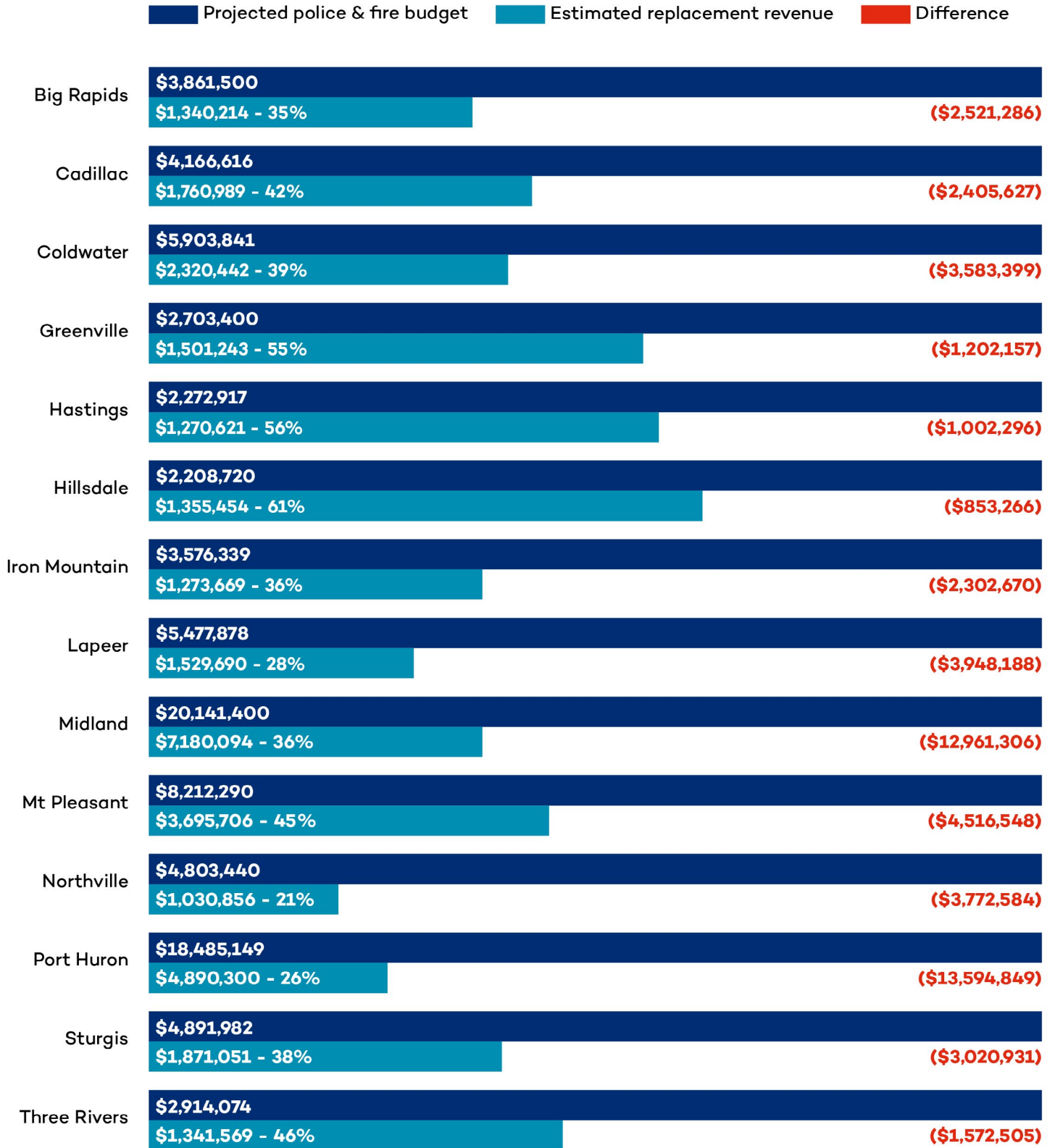
Including a \$4 Billion hit to
the state’s General Fund

This proposal **will cut over \$17.5 billion in funding for schools, roads, recreation, and public safety**. At the same time, it provides fractional and restricted replacement funding to cities, villages, townships, and counties with no replacement revenue to schools or other authorities.

As you know, communities are filled with spaces, activities, and **core services we need and utilize daily, such as public safety, senior services, roads and water infrastructure, trash collection, education opportunities, libraries, and more**. To fund these services, our communities rely on property taxes. These property taxes are vital to providing real human and economic benefits.

Local Public Safety Impacts

A sample of the consequences of this ballot proposal on public safety budgets.



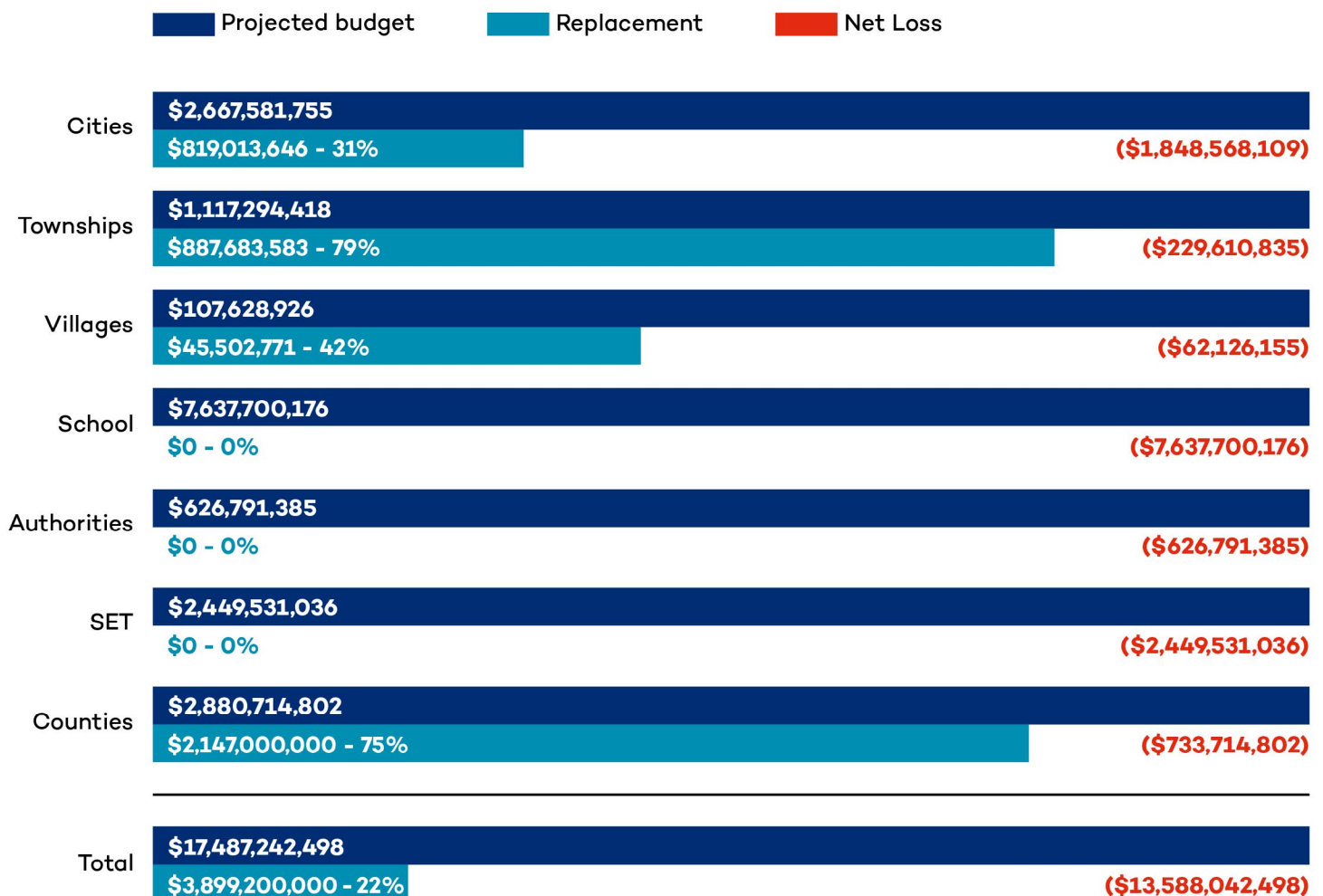
The proposal language includes the following

- Eliminating all current and future state, county, and municipal personal property taxes.
- Redistributing state tax revenue from sales, income, marijuana, alcohol, and tobacco to cities villages, townships, and counties.
- Redistributed tax revenue can only be expended on essential services and infrastructure, which are narrowly defined as public safety, courts, roads, and water infrastructure.
- Requiring 60% of voters to approve local taxes and 2/3 vote of the Legislature to increase any state tax by more than .01% over five years.

While reducing taxes may seem appealing, **this proposal will negatively impact in a profound way the very people and services it claims to protect.** The elimination of these resources will make it impossible for state and local governments to deliver core services, invest in our infrastructure, and spur economic growth.

Statewide Aggregate Impacts

A chart demonstrating the financial impact statewide.





**INCREASED
UNEMPLOYMENT**



**ELIMINATES
SCHOOL FUNDING**



**DEVASTATES CLASSROOM
FUNDING**



**NO CLEAR FUNDING
FOR VOTING OR JAILS**



**CUTS FUNDING FOR
POLICE AND FIRE**



**REDUCES LOCAL
BUSINESS VALUE**

Here are some of the outcomes

- Eliminates all millages 45 days after the passage of the proposal, including **local schools, libraries, parks authorities, garbage pick-up, road millages, public safety authorities, transit, senior services**, etc.
- Provides no clear funding mechanisms to **hold elections or operate jails**.
- Jeopardizes untold **skilled public sector jobs**, leading to increased unemployment and straining the Michigan economy.
- Reduces the ability of **Michigan-based businesses** to attract and retain workers in a state that has devalued the public services, educational opportunities, and amenities their employees seek.
- Cuts \$10 billion in **classroom funding from schools** with zero replacement revenue.
- Eliminates roughly 45% of Intermediate School District (ISD) funding, which supports **special education services**.
- Removes \$450 million for **libraries**, with no replacement considerations.
- Cuts roughly 1/3 of the funding for **community colleges**, which provide local, cost-effective access to higher education.
- Eliminates ad valorem special assessments that fund public safety, like **police and fire operations**.

This ballot initiative would have a catastrophic economic and social impact on every community whose services provide value to residents and businesses. Property taxes serve a clear purpose. In their absence, we lose far more than the ability to provide services; **we lose the ability for people to choose and contribute to the community where they live.**