

Reps. Meisner, Tobocman, Whitmer, Vagnozzi, Miller, Kathleen Law, Byrum, Zelenko, Kehrl, Plakas, Gonzales, Polidori, Donigan, Hopgood, Condino, Farrah, Accavitti, Lipsey, Waters, Leland, Alma Smith, Anderson, Gleason, Adamini, Lemmons, III and McConico offered the following concurrent resolution:

**House Concurrent Resolution No. 16.**

A concurrent resolution to create a tax expenditure joint study committee to make recommendations on the effectiveness and cost of tax expenditures in Michigan.

Whereas, Michigan will forego \$29.4 billion in state revenue for fiscal year 2005 as a result of preferential provisions such as exclusions, deductions, exemptions, credits, deferrals, or lower tax rates, also known as tax expenditures; and

Whereas, Michigan's tax expenditures have grown \$2.6 billion since fiscal year 2004; and

Whereas, The Governor has called for the annual review of \$4.7 billion in these tax expenditures; and

Whereas, Michigan has recently addressed serious budget difficulties, which required the state to resolve nearly \$3 billion in shortfall since 2003, and is now required to resolve another \$773 million for fiscal year 2005; and

Whereas, There is growing interest in the book *The Price of Government*, and "zero-based budgeting," which requires the review of all expenditures, including tax subsidies; and

Whereas, Many tax expenditures support the values of Michigan, make the basic needs of Michiganders more affordable, and support economic growth and jobs in the state; and

Whereas, A detailed study of the effectiveness of each tax expenditure has not been undertaken during the recent budget crisis; and

Whereas, Many tax expenditures may not provide job creation and the positive economic impact originally intended. It is important to ensure that tax policies achieve economic development goals for the benefit of all Michigan citizens when balanced against the loss of revenues and state services; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we establish the tax expenditure joint study committee. The joint study committee shall be comprised of:

- Three members of the Senate, with two appointed by the Senate Majority Leader and one appointed by the Senate Minority Leader;

- Three members of the House of Representatives, with two appointed by the Speaker of the House and one appointed by the House Minority Leader;

- A member of the organized labor community appointed jointly by the legislators appointed to the tax expenditure joint study committee;

- A member of the business community appointed jointly by the legislators appointed to the tax expenditure joint study committee;

- A representative of the State Treasurer;

- A representative of the Director of the Department of Labor and Economic Growth;

and

- A representative of the Department of Management and Budget.

The tax expenditure joint study committee shall explore the effectiveness of tax expenditures, study their relevance in today's economy and the goals of state government, and recommend the elimination, modification, or preservation of each of the individual tax expenditures currently in existence; and be it further

Resolved, That the tax expenditure joint study committee shall make recommendations to the Michigan Legislature not later than August 1, 2005; and be it further

Resolved, That the joint study committee is hereby authorized to expend a maximum amount of \$5,000 in carrying out its duties and such additional expenditures deemed necessary and approved

by the Senate Majority Leader and the Speaker of the House. Payment for contractual services may be authorized by the Senate Majority Leader and the Speaker of the House.