

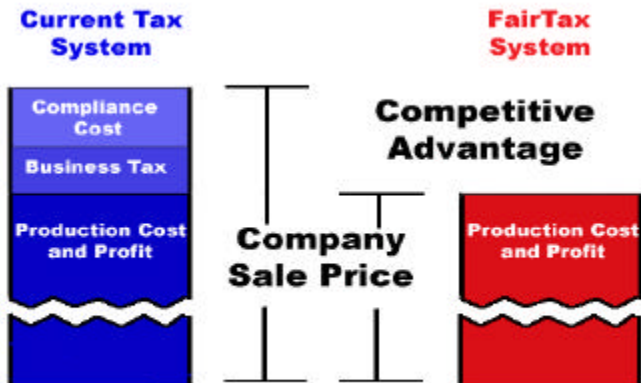


# How we can bring an ... **ECONOMIC BOOM** to Michigan!

## Why A MI FairTax?

### It will:

- Let us keep our entire paychecks by eliminating tax withholding. You earn it, you keep it!
- Replace Michigan's current complex and unfair tax system with a simple, no loophole, retail sales tax on all new goods and services with an effective tax rate of 0 - 9.75%.
- Provide a more stable revenue source and raise the same amount of money for Michigan government.
- Eliminate tax on necessities via a "prebate".
- Require public approval for increases.
- Eliminate current sales tax, Personal Income tax, Michigan Business Tax, Personal Property Tax, 6 mill State Education Tax on business and sales tax on all business purchases.
- Make Michigan products more competitive with foreign products and return jobs here:



## A Fair and Simple Tax

### Frequently Asked Questions:

#### Is it possible to pass the MI FairTax?

Yes! Business, Labor, Economists and Citizens agree that MI must pass serious tax reform to: improve our business climate, cause companies to expand and locate in Michigan, and create jobs. MI citizens are learning that business taxes are actually passed on to them in higher prices, and MI jobs are being lost when MI companies can't compete in the global economy with our tax inflated prices.

#### Where can I get more information?

[mifairtax.org](http://mifairtax.org) for MI FairTax status and information  
[fairtax.org](http://fairtax.org) for related national FairTax information

## What can we do?

### Get involved!

1. Contact MI FairTax leaders in your community to see how you can participate in this initiative and help make history. Contact your MI FairTax leaders at [www.mifairtax.org](http://www.mifairtax.org) or call (586) 871-7147.
2. Invite a MI FairTax spokesperson to speak to local groups. Encourage news media to provide MI FairTax information to you and your neighbors.
3. Educate community leaders and 5 friends/relatives so they get behind the MI FairTax effort as you have.
4. Make a financial contribution via our website or by mailing a check payable to "MFTA", P.O. Box 703, Sterling Heights, MI 48311-0703

**IT MAKES MICHIGAN No. 1 FOR BUSINESS LOCATION**  
**And that means JOBS!**

A nonpartisan plan for truth in taxation and job creation

MFTA, PO Box 703, Sterling Heights MI 48311

The Michigan FairTax Association is a 501(c)6 and personal contributions are not tax deductible but may be as a business expense.

# The MI FairTax, The Fair Way To Fund Michigan's Government

Michigan has the highest unemployment rate in the nation and is losing more jobs than any other state. To retain and attract jobs to our state we need to be a place where businesses want to locate. Instead, the recently passed Michigan Business Tax (MBT) with its new taxes and higher tax rates, makes Michigan's business tax structure one of the least friendly in America. This discourages businesses from creating jobs in Michigan, causing our families to move out of state and our property values to decline. The MI FairTax virtually eliminates business taxes and says **Goodbye!** to the state income tax. It is simple, honest and fair.

MI citizens are realizing that taxing business is a deceptive way of taxing citizens, because it merely hides those taxes in the prices we pay. Those businesses pass on the cost of taxes and tax compliance, along with all other costs, in the price of their products. We are told that those rich corporations should pay their share of taxes, but as Dr. Alan Greenspan has lectured Congress, "Only people pay taxes." These deceptive hidden taxes are unemploying our citizens, as our businesses can't compete in the global economy with our tax-inflated prices. We must remove these hidden taxes from our prices, as our foreign competitors do, to compete in today's world marketplace. By adopting the MI FairTax and removing those tax costs, we will be the most attractive state in the country in which do business, and cause jobs, wages and property values to be pushed upward in a strong and growing Michigan economy.

With the MI FairTax, our taxes will be visible, appearing on every sales receipt, and we will be able to see our true tax burden. The current intrusive MI Personal Income Tax and business taxes cost Michigan residents and businesses billions of dollars every year in compliance costs and in less-than-optimal economic decisions made for tax minimization purposes. The MI FairTax almost eliminates tax compliance costs.

With adoption of the MI FairTax, lower business costs will allow Michigan-produced goods and services to be more competitive. Furthermore, we will have more money in our pockets to purchase these products, as we will receive our income without any reduction for MI Income Taxes. We'll save 4.35 cents on income taxes and pay 3.75 cents more in sales tax. Of course, every business will try to keep the savings derived from lower costs, but competition, and desire to keep and increase market share, will generally result in lower selling prices and more jobs. The MI FairTax will provide a more stable tax base, raise the same revenue as the taxes it replaces, allow us to better compete with foreign products, and result in jobs returning to Michigan.

The MI FairTax eliminates the sale of tax favors by government officials which today corrupts our representative form of government. It is real and lasting tax reform because it taxes consumption rather than income, treats everyone equally, and the change is constitutional. Even individuals that now have unreported income will be paying their share when they spend their money. It is a simple retail sales tax of 9.75% on services and new goods, with no loopholes. This may sound high unless we are aware of the hidden taxes that Michigan citizens are now paying on top of our current 6% sales tax and 4.35% income tax.

To protect the poor, and assure that no tax will be paid on necessities, the MI FairTax provides monthly "prebates" to all Michigan households in the amount of what the tax would be for purchases up to the poverty level based upon household size. This untaxes the poor and causes the MI FairTax to be progressive. Because of the prebate and other expenditures not taxed, a family of 4 spending \$22,050/yr. would have a 0% effective tax rate. If the family spent \$50,528 (median Michigan household income) it would have about a 2.5% effective tax rate. Because not all of our income would be taxed by the MI FairTax, every family's effective tax rate would be lower than the actual rate and would increase as expenditures increase. To calculate your effective tax rate, see the "prebate" document on the website. The MI FairTax also increases the constitutionally guaranteed revenue sharing for local units of government.

To learn more, go to the MI FairTax website: [www.mifairtax.org](http://www.mifairtax.org). It is unconscionable that we allow ourselves to be taxed in a manner that invades our privacy, damages our economy, and costs us our jobs. There is no greater legacy for us to leave our children and citizens of Michigan than to adopt the simple, efficient and fair MI FairTax. Just think, truth in taxation, MORE JOBS and NO MORE TAX RETURNS!!!