

# Tax hikes will disable state's economic vehicle

**EDITORIAL—The Oakland Press**

The budget fury is over, for now.

But most likely it's just a temporary pause.

When you look at what happened, you're left with a rather empty feeling - not just in your wallet, but all over. The heated debate has ended and the state shutdown was cut short, but in reality, nothing was resolved.

The state is still spending more money than it's taking in and so the largest tax increase on residents since 1980s may not be enough to stave off more budget controversy even just a year or two down the road.

Colleges, to make up for what they feel they should have gotten from the state, will raise tuition, just adding to the budget drain on the average family.

Some legislators may feel good if you tell them that no one is happy about the new budget - from business owners down to the average citizen. The leaders in Lansing may falsely think they've done a good job. But staying in the middle only works if you're a judge or negotiator whose job it is to remain impartial.

The legislature needed to fix not only one but two flats on Michigan's economic vehicle - instead they've flattened all four tires. The vehicle is rolling again, but not very well.

Oh, there are experts who say the new taxes won't have that much ill effect on residents. Sounds good if you're the governor and other pro-tax hike proponents. But common sense will tell you that the last thing a financially strapped individual needs is more drain on his marginal funds.

Let's take the new sales tax on services, which Gov. Jennifer Granholm and lawmakers are so quick to claim is discretionary. But it will hurt many segments and demographics they probably never thought about in their haste to find more money to prop up state government.

Lost your job and can't find another? Trying to sell your home but having no luck? Forced to leave the state to find employment and start over? The Michigan Legislature has a going away gift for you - in actuality, it's a final kick in the pants as you leave the Great Lakes State.

One of the segments that the new 6 percent sales tax on services will hurt the most is those trying to sell their homes or those forced to do so in their search for employment, as well as homeowners facing foreclosure.

If you need to spruce up your home before putting it on the market, it's now going to cost you more to have the carpets cleaned. The sales tax applies to carpet cleaning.

Those between moves who have to avail themselves of self-storage units can now count on paying sales tax on those rentals.

The new tax is also more punitive to women in Michigan. The tax will be levied on manicures, pedicures, electrolysis, facials, makeup application and massages. The phenomenon of "metrosexuals" aside, these services are overwhelmingly purchased by women, who will pay the bulk of the tax on personal care services. Haircuts were excluded, so men will not pay as much.

The state has set the tone for its budget and it's very off key. Can it be fine tuned to make it more harmonious with state residents and their wallets? Maybe, but we're not sure just how at this time.