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MMA: Benchmark It And Book It

The Michigan Manufacturers Association (MMA) is putting a new twist on the business community's call to benchmark state employee compensation and benefits to national averages.

In its annual legislative agenda set to be formally released on Friday, the MMA wants to run state employee compensation to competitive measures and put all of the benchmarks into State statute.

"We ought to take all cost factors and measure ourselves against all the other states," Mike **JOHNSTON**, vice president of government affairs told *MIRS* today. "Every year we ought to report [to the public] how we do."

MMA officials don't believe state lawmakers should stop there. They would like state government to also measure the following other information against other states for comparison:

- Total business tax burdens on manufacturers and other businesses, including personal property tax, real property tax, business income tax, gross receipts and other local taxes
- Average salaries and benefits of state employees
- Average salaries of teachers
- Percentage of prison inmates that are 120 percent beyond the minimum sentence
- Amount of regulation, including regulation that exceeds federal standards
- Permit issuance time
- License processing times

The MMA is also seeking legislation that would clearly state that Michigan regulations could not exceed federal standards without the express approval of lawmakers.

As an example of this, Johnston points to energy legislation that required the state's utilities to spend \$2 billion to reduce mercury emissions one or two percentage points three to four years before federal regulations were developed, something he said unnecessarily drove up costs for homeowners and businesses.

On the business tax issue, the MMA is backing a proposal put out by Business Leaders for Michigan to expand the state's sales tax to services, lower the rate to 5.5 percent and

eliminate the Michigan Business Tax (MBT) surcharge and reduce the tax on gross receipts. The MMA also is insisting that spending reforms come before tax reforms.

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