

# TRANSPORTATION REVENUE BALLOT OPTION

## Principles of Reform

- 1) Needed funding for roads and bridges
- 2) Protect schools, communities, public transit, rail
- 3) Transportation taxes go to transportation
- 4) Competitive prices at the pump
- 5) Tax relief for lower-income Michiganders



## Legislature Approves

### Ballot Proposal

- a. Raise Rates on Sales & Use to 7% total
- b. Eliminate Sales Tax on Motor Fuels
- c. Remove Higher Ed from School Aid Fund
- d. Amend Use Tax Distribution

## Legislature Approves

### Additional Tie-barred Bills Effective ONLY If Ballot Proposal is Approved by Voters

1. Wholesale Tax on Motor Fuels

**\$1.2 B**

Starts October 1, 2015

2. Registration Changes

**\$95 M**

\$45 M Vehicle Reg  
\$50 M Heavy Trucks

3. Transportation-related Reforms

Warranties  
Competitive Bidding

4. Earned Income Tax Credit (EITC)

Restoration (tax year 2016)

**(\$260 M)**

## Ballot Proposal May 2015

1. Increase General Sales/Use Tax by 1%, from 6% to 7%

**\$1.34 B**

2. Eliminate Sales Tax on Motor Fuels

**(\$752 M)**

### Revenue

- Transportation \$1.3 B
  - Roads \$1.2 B
  - Transit/Rail (CTF) \$112 M
- Schools \$300 M
- Locals \$94 M
- Tax Relief (\$260 M)