

Ballot Education

...Roads and Schools...

Michigan residents will vote on a constitutional amendment on May 5th to increase revenue for roads and stabilize funding for schools and local governments.

The proposal will increase the sales tax from 6 percent to 7 percent. If the proposal passes, bills that passed the legislature late last year will go into effect providing increased revenue for roads.

Within three years, \$1.2 billion in new revenue will be available for roads allowing road agencies to make positive steps toward improving our roads and bridges.

Proposal 1 gives taxpayers three strong guarantees:

- Every penny you pay at the pump in gas tax will be guaranteed in the constitution to go to transportation only. It will put an end to the taxes on gasoline being diverted for other purposes. Every penny paid at the pump will go to transportation.
- Every penny in the School Aid Fund will be guaranteed in the constitution to fund education where it helps our kids the most, our K-12 Schools and community colleges. No more shell games with education funding.
- And taxpayers get guarantees from the road builders. If their roads don't last, road builders pay to fix them, not taxpayers.

No one likes their taxes to go up, but we can all agree that we do not want our roads to deteriorate anymore, our bridges to fall down or our schools to continue cutting programs and resources that our children need.

By removing the sales tax on gasoline and adding that same amount to the gas tax, the legislature has provided a way to fix roads while motorists feel **no pain at the pump**. Converting the tax from cents per gallon to a percent of wholesale will allow minimal increases in the future.

The last time Michigan raised taxes to pay for roads was in 1997, and the four cent increase then is worth about two cents today!

Eighteen years later, it's time for Michigan to modernize how it pays for roads and fix them. Proposal 1 not only modernizes our road funding system, it guarantees in our constitution that every penny we pay at the pump in fuel taxes goes to transportation.

One thing that everyone in Lansing agreed on as the proposal was crafted is that we simply can't cut over \$1 billion from K-12 education and revenue sharing payments to local government for services like police and fire.

The May 5 ballot proposal will be a one cent increase in the sales tax for K-12, community colleges and local revenue sharing. All sides agreed that removing the sales tax from gas altogether would leave too big a gap in school funding, and that needed to be resolved. The final solution was a proposal that not only stabilizes funding for schools and local governments, but also provides an additional \$300 million for schools – \$200 per pupil – upon approval by the voters. Local governments will also see \$100 million in new revenue to support local services.

A Michigan sales tax of 7 percent would be the same as neighboring Indiana's sales tax and would rank 21st in the country when it comes to average state and local sales tax rates.

Proponents of the plan support the sales tax increase because everyone will help to support our roads. Even those who don't drive receive benefits from the road system as goods are delivered to grocery stores and pharmacies, and emergency vehicles can reach their destinations.

How will Proposal 1 impact you?

- If Proposal 1 is successful in May, within three years, the Newaygo County Road Commission will receive more than \$3.5 million in new revenue annually to put toward county roads.
- The price paid for gasoline will remain stable while diesel fuel will see a small increase as we bring parity to gas and diesel fuel taxes.
- For each \$1,000 that a person spends annually on taxable items (not groceries, pharmacy or fuel) they will spend an additional \$10.