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East Lansing income tax would make city less attractive, hurt small business, coalition says

EAST LANSING — The East Lansing City Council should remove its income tax proposal from the ballot before Tuesday's deadline and work with the community on finding real solutions to the city's budget challenges, a coalition of citizens said Monday.

The City Council has placed a proposal on the November ballot to implement a new 1 percent income tax for city residents and a 0.5 percent tax for nonresidents who work in the city. Residents and small business owners say the income tax plan would make it even more difficult to attract talent and new families to East Lansing.

"An income tax is the wrong way forward for the city, its citizens, its small businesses and its workers," said small business owner **Habib Jarwan**, who owns Bell's Greek Pizza. "This proposal would be bad for East Lansing's economy, as fewer small businesses would want to locate here. Many qualified workers would choose to just go down the street to Okemos, where they wouldn't have to pay an income tax."

An income tax proposal on the November ballot "would tear the community apart and pit neighbor against neighbor," said **Lorenzo Santavicca**, president of the Associated Students of MSU. "We need to all pull together as a city — not suffer through a divisive campaign. For the sake of everyone in our community, the city and the university must work together to build a better future for East Lansing."

Ashley Fuente, president of MSU's Council of Graduate Students, said: "East Lansing is already one of the highest-taxed cities in Michigan. An income tax would make East Lansing less attractive for young families looking to put down roots in the city. The financial burden of this tax would fall upon those who can least afford it, including graduate and professional students."

Last year, the City Council appointed a Financial Health Review Team to study the city's finances and provide recommendations. The review team recently issued dozens of proposed spending and revenue reforms, but city leaders have largely ignored the experts' recommendations.

"The city of East Lansing has made decisions that have led to the current financial situation," said **Nancy Marr**, president of Prime Housing Group. "Like any small business facing the same challenges, the city needs to make some tough decisions and tighten their belt."

Community leader **Donald Power**, a former City Council member, said: "I've always supported local tax proposals that are necessary, but enough is enough. City officials should implement some of the spending reforms proposed by the Financial Health Review Team."

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