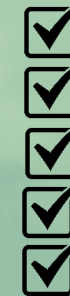


TRANSPORTATION REVENUE BALLOT OPTION

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 (\$200 pp)
 - Locals \$94 M
 - Tax Relief (\$260 M)