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## **NFIB Main Street Agenda for 2021**

NFIB's primary mission this session will be to remove the obstacles imposed by the governor, and the agencies under her direct control, that are hindering the ability of small business to return Michigan to the prosperity that existed before the coronavirus pandemic. The most important part of that objective will be to restore the role of the legislature in policy making and governance. The Michigan Supreme Court has made it clear, with their recent decision halting the Governor's abuse of the Emergency Powers of the Governor Act of 1945, that the balance of power in the governance of our state is one of the hallmarks of our system of representative government that must be respected. NFIB will also be proactive in reminding lawmakers that the failed policies of the past such as confiscatory taxes, burdensome regulation, micro-management of the employer-employee relationship, and others, have not improved with age and must be avoided if Michigan is to return to prosperity and opportunity for small business and our citizens.

### **Pursue All Avenues on Restoring Legislative Oversight**

No state agency should have the power to close an entire segment of the economy without legislative oversight. The continuation of the governor's closure orders through the Michigan Department of Health and Human Services and the harassment of small business through other state agencies must end. The legislature still has "the power of the purse" in appropriating funds for the operation of the government and state agencies. NFIB will pursue all opportunities to condition appropriations on the proper use of state agency authority. There are also many policy changes that can only be made through legislation and any such changes being pursued by the administration should be used as leverage in restoring the legislature's oversight authority. Finally, NFIB will carefully evaluate any legal or ballot options to restore legislative authority.

### **Waive License Fees for Businesses Forced to Close**

Michigan currently requires licenses to operate for hundreds of businesses and occupations. Most licenses include fees that must be submitted for a business to continue operating. Failure to pay the fee would result in suspension of the license and an order to close the business. However, many businesses in 2020 were forced to close or operate on a restricted basis by the Executive Orders of Governor Whitmer or various state departments. NFIB supports the passage of legislation that would waive license fees in 2021 for any business that was closed or whose operation was severely limited by the government for more than 3 weeks in 2020.

### **Mitigate Unemployment Insurance Payroll Tax Increases**

The Unemployment Insurance system is 100 percent funded by employers through a payroll tax and any shortfalls or deficits due to a negative Trust Fund balance will have to be made up by all employers through their mandated payroll tax. Tax increases are all but guaranteed with the rapid depletion of the UI Trust Fund due to the high unemployment resulting from the coronavirus pandemic. Extending Michigan benefits beyond 20 weeks without corresponding funding from federal coronavirus legislation will result in even higher taxes for Michigan employers. On December 29 of 2020, Governor Whitmer used her line-item veto authority to eliminate a \$220 million appropriation from the state's general fund intended to build up the state's Unemployment Insurance Trust Fund. The appropriation was part of the COVID-19 relief bill passed by the Michigan legislature during the last week of the 2020 session. The transfer sought to hold Michigan employers harmless from the extension of benefits and the legislation was [supported by NFIB](#). NFIB will be working to find ways to cover the cost of the extended benefits and restore the \$220 million appropriation in 2021. NFIB will also oppose efforts to make the extension of benefits to 26 weeks permanent.

### **Prevent Workers Compensation Cost Hikes**

Legislation is being pursued that would establish a presumption that if an employee tests positive for COVID-19, they contracted the virus in the workplace and are entitled to workers' compensation. This would shift the burden of proof to the employer to prove that an employee did not contract the virus in the workplace. Obviously, COVID-19 can be contracted anywhere, and it would be an incredible burden for an employer to prove that an employee did not contract the virus on the job. Such automatic assumptions on a claim by an employee will drive up the costs for workers compensation insurance at a time when small business can least afford it. NFIB will oppose efforts to place the burden of proof on employers for pandemic related claims.

### **Fight for Small Business in the Road Funding Debate**

While small business owners recognize the importance of good roads, last sessions proposal by Governor Whitmer to raise pump taxes by 45 cents was not perceived as a serious road funding solution and was soundly rejected. There is well deserved skepticism from small business towards proposals that claim to be for road funding, but the details reveal that much of the revenue raised would be diverted to numerous other budget projects. A new proposal introduced late last session would allow local governments to create local gas taxes and vehicle registration fees for local roads. NFIB small business members have made it clear that they do not support this approach to fund roads.

### **Guard Against Attempts to Create a New Small Business Tax**

After more than 36 years of double taxation and punitive tax policy on small business, NFIB was successful in leading the way to repeal the confiscatory Michigan Business Tax (MBT) in 2011 and replace it with a flat rate Corporate Income Tax. Unfortunately, the myth that small business isn't paying "their fair share" of taxes continues to persist. With pressure on state and local government budgets due to the coronavirus shutdowns and restrictions, new calls to increase taxes are being sounded in Lansing to expand the Corporate Income Tax to non-corporate C businesses, such as sole proprietors, partnerships, LLC, and Sub S entities – or create a new tax on non-C small businesses. In

the last session, Governor Whitmer proposed creating a new small business tax to increase the current tax rate on non-C businesses from 4.25% to 6% and House Democrats went further and introduced legislation to double the rate to 8.5%.

### **Oppose Attempts to Use Licensing and Rules to get Around the Legislature**

Governor Whitmer is attempting to get through agency rules what she cannot get passed in the legislature. The Department of Licensing and Regulatory Affairs (LARA) has proposed rules to expand overtime eligibility for workers that is more than the recent federal increase. In addition, the governor has attempted to use rules governing the licensing requirements for a business to require labor union membership for their employees. Making laws via rules, through agencies run by unelected bureaucrats protected by civil service and unaccountable to voters, is a formula for disaster to Michigan's economic comeback.

### **Halt Micromanagement of the Employer-Employee Relationship**

Attempts to micromanage how an employer compensates, schedules, manages, and hires their employees has never been more prevalent at all levels of government. NFIB has successfully defeated efforts to micromanage employment hiring decisions, to interfere with the scheduling of employees, to mandate specific employee benefits, to require a union representative to meet with employees, and more. These kind of regulations and requirements are especially burdensome to small businesses that do not have the staff or money to dedicate to compliance and recordkeeping, let alone the payroll costs of the requirements. NFIB will continue to defend the rights of small business owners and their employees to have the flexibility determine what works best for them.

### **Small Business and the Line 5 Pipeline Project**

Line 5 is a major oil pipeline that transports crude oil and natural gas under the Straits of Mackinac that has been the subject of controversy concerning its decommissioning or upgrade to a safer structure. NFIB small business members support the upgrade proposal passed by the Michigan legislature in 2018 that would allow the pipeline owner to invest \$500 million to install a new Line 5 inside a concrete lined tunnel bored 100 feet below the lake. The existing Line 5 would then be decommissioned. Since then, Governor Whitmer and environmental advocates have mounted numerous attempts to derail the project. In the latest effort, the governor has tried to use the Michigan Department of Natural Resources to shut down the pipeline. Michigan must move forward with this critical upgrade project to remove the existing pipeline from the waters of the Great Lakes as quickly as possible.

### **Finding Skilled Workers with Common Sense Proposals**

Filling jobs with qualified workers continues to be a major concern for small business in Michigan. If the state is to move forward in restoring our economy, it must provide high school students with increased educational opportunities in skilled trades and other vocational alternatives. However, some proposals seek to throw more money at the same institutions responsible for the skills shortfall in the first place without accountability or reliable measures for success. Some have already suggested that, since these proposals would "primarily benefit business", that business should bear

the cost and small business must pay their “fair share”. Many small business owners believe that a “job-ready” educated workforce was supposed to be the product of the current school system already supported by taxpayers. Efforts to stick small business with the lions share of additional funding will not be supported.