

New Mantra: 'Fix More Damn Local Roads;' House R's Still Not Budging On Revenue Increase

2/26/25

Gov. <u>Gretchen WHITMER</u> echoed her call tonight to Republicans and Democrats that they both need to get on board with spending cuts and revenue increases to transition road funding from her \$3.5 billion Rebuilding Michigan bond plan to a long-term solution for mostly local roads.

In every State of the State she has given, Whitmer used the phrase "Fix the damn roads" at least one time.

Whitmer said in her State of the State that bonding was always a short-term fix. She's introduced a long-term plan (See "Whitmer Proposes Long-Term Road Funding Plan," 2/10/25) and Speaker Matt HALL (R-Richland Township) has come up with two (See "Hall's \$2.7B Road Proposal Sparks Curiosity, Apprehension," 11/22/24) (See "Hall's Second Road Funding Proposal Won't Raise Revenue, As Whitmer Asks," 1/16/25).

While Whitmer offered \$500 million in spending cuts in her plan to start the negotiations, Republicans seem to be firm that the budget is so large that there's no reason to increase taxes, whether it be on corporations, vapes, marijuana, or anything else.

Hall said the reason roads are even being discussed right now is because House Republicans put the issue on the map after he challenged Whitmer with a proposal.

"Our budget is \$86 billion. It's growing substantially faster than inflation. We don't need more money in the government, we need more money in the pocketbooks of Michiganders," Majority Floor Leader <u>Bryan POSTHUMUS (R-Rockford)</u> said.

Rep. <u>Alabas FARHAT (D-Dearborn)</u> introduced <u>HB 4142</u>, <u>HB 4143</u> and <u>HB 4144</u> today that earmarks the full six percent of corporate income tax (CIT) to roads, another that creates a digital advertising tax and a third that increases the CIT by 2.5 percent for schools.

"I'm ready to get started. We're ready to get the negotiations on the roads done," Farhat said. "I'm in a position right now where I want to see this solved."

When asked if Farhat has been invited to the negotiation table with Whitmer and Hall, he said he thinks they're aware of his bills and his appetite for road funding.

"They're talking about taxing digital ads? Are we gonna start taxing kids for their Robux on Roblox? Are we gonna start taxing NFTs (non-fungible token)?" Rep. <u>Jaime GREENE (R-Richmond)</u> said after she overheard Farhat explaining his bills.

Rep. <u>Carrie RHEINGANS (D-Ann Arbor)</u> said she's concerned about federal funding sources being unreliable this budget-making season and how that will affect road funding, among other things.

"At my end-of-year town hall last term, a constituent asked for predictions on the next term. I said we will get a road funding deal, and everyone will dislike it, but it will benefit the people of Michigan more than what is happening now," Rheingans said.