



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

October 16, 2018

Michigan House of Representatives
Michigan Senate
State Capitol Building
Lansing, Michigan 48913

Ladies and Gentlemen:

I write today to notify you that I have vetoed Enrolled House Bills 4350 and 4351. The bills would have exempted all parts used in an aircraft, excluding drones, from our sales and use taxes. Under current law, parts used in commercial aircraft, as well as parts installed on aircraft that fly into the state temporarily for repairs, are exempt from the tax.

Thanks to our robust economic growth and rapidly growing collections of sales and use tax, many believe that now is the time to enact industry-specific tax relief to promote competitiveness or parity with tax treatment in other states.

However, consideration of tax exemptions before we have a more complete picture on incoming revenues, other recommended revenue reductions, and any necessary investments, represents a change in course from the fiscally responsible principles that have helped put our state back on solid financial ground over the last eight years. As such, I do not believe it is appropriate to consider tax exemptions like those found in House Bills 4350 and 4351 at this time.

I look forward to having further discussions on proposed changes to the tax code, but only in the context of maintaining our commitment to a long-term balanced budget and ensuring we can fund investments critical to continuing the reinvention and comeback of Michigan..

Sincerely,

Rick Snyder
Governor