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## **FOR IMMEDIATE RELEASE**

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# ***Macomb County Bar Association Opposes Tax on Legal Services***

- WHEREAS, the Macomb County Bar Association, with more than 100 years of history, is devoted to the improvement and facilitation of the administration of justice in this State, and to ensure that due process of law is afforded to the citizens of this State; and
- WHEREAS, it has come to the attention of the Macomb County Bar Association that the Michigan Legislature will consider Governor Jennifer Granholm's proposal to tax legal services; and
- WHEREAS, the Board of Directors of the Macomb County Bar Association has examined the proposed tax; and
- WHEREAS, the Board of Directors of the Macomb County Bar Association has determined that:
- A tax on legal services is a tax on citizens and businesses, not lawyers.
  - Individuals and businesses seek legal advice in order to ensure compliance with the law. A tax on legal services would discourage individuals from seeking such advice. Failure to seek early legal advice could potentially result in more complex legal problems for individuals and businesses at later stages.
  - A sales tax on legal services would deter individuals and businesses from taking proactive and responsible management measures, e.g. drawing a will, medial preferences, appointing guardians, incorporating a business.
  - Individuals and businesses secure legal services for the purpose of ascertaining, exercising, and defending their legal rights, including constitutionally protected rights such as the right to representation for criminal defense.
  - A tax on legal services is essentially a misery tax that would add a tremendous burden on individuals and businesses already facing significant financial stress and misfortune, e.g. domestic violence, divorces, child support, bankruptcy, debt collection.
  - Most legal services are not discretionary.
  - A tax on professional services would be detrimental to Michigan business interests, encouraging individuals and businesses to seek legal services out of state. Small business firms would be affected at a much higher

occurrence than larger businesses that employ in-house counsel that would not be subject to the tax. Large businesses would be discouraged from seeking outside counsel for specialty or technical issues.

- Many legal transactions, such as property transfers and estate administration, are already taxed. Imposing a tax on legal services would result in double taxation for these transactions.
- Audits of taxes on legal services invade attorney/client confidentiality.
- The administrative and business difficulties experienced by Florida and Massachusetts in the wake of passage of a tax on services that included legal services caused both states to repeal the tax.

**WHEREAS**, the proposed tax on legal services legislation would create a financial barrier for citizens in need of access to justice and further weaken the protections of Michigan's citizens;

**NOW, THEREFORE, BE IT RESOLVED** that these presents the Macomb County Bar Association, speaking for and on behalf of all of its members and the citizens of Michigan:

**I.**

Hereby publicly oppose and express serious concern for the rights of the citizens of Michigan should the proposal to tax legal services be enacted into law.

**II.**

Encourages public outcry in opposition to the proposed legislation

**III.**

Encourages all citizens to petition their representatives in the Michigan House and Senate to reject a tax on legal services.

Unanimously agreed and Adopted by the Board of Directors.  
Dated at Mt. Clemens, Michigan, this Eighth Day of February, 2007

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Jacob M. Femminineo, Jr., President

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Arthur A. Garton, Secretary