



## MIRS Capitol Capsule

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# Could Ohio Decision Put MEGA In Peril?

A news release issued today by the Mackinac Center for Public Policy claims that a U.S. 6th Circuit Court ruling today should raise eyebrows in Michigan.

In the case, *Charlotte Cuno, et al, v DaimlerChrysler, Inc., et al*, the court ruled that Ohio's investment tax credit program violated the United States Constitution's commerce clause.

"Lawmakers should focus on legally sound policies like broad-based tax cuts now that MEGA might be found unconstitutional," said Michael **LaFAIVE**, director of fiscal policy with the Mackinac Center."

Michigan's MEGA program was created in 1995 by the

administration of former Gov. John **ENGLER**. It was designed to offer targeted tax relief to certain companies in an effort to retain and create new jobs within Michigan.

From its inception, the Mackinac Center has questioned whether it is proper for state government to favor one company over another with targeted tax breaks and job-training subsidies. The Ohio decision may indicate that such programs may ultimately fail the constitutional litmus test.