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## Tax rebates may provide lift

Economic stimulus package seen as boost in mid-Mich.

Chris Andrews  
Lansing State Journal

Local restaurants, clothing stores and car dealers stand to benefit from the economic stimulus package agreed to in Washington, a local economist said Thursday.

Thousands of mid-Michigan residents will get rebate checks from the government as part of a deal between President Bush and Congress designed to head off a recession.

Individuals will get rebates of up to \$600, couples up to \$1,200. In addition, middle-income families will get \$300 rebates for their children.

"Always important for auto sales is the after-tax income for consumers," said Patrick Anderson of the Anderson Economic Group. "To the extent this helps more citizens get their down payment together for a new sedan built in Michigan, it would be very beneficial to Michigan."

Anderson Economic Group said that about 2.6 million Michigan individuals had incomes of less than \$75,000 and about 1.7 million couples filing joint returns earned less than \$150,000, according to 2004 and 2006 Internal Revenue Service data. They would qualify for the full rebates.

Dianne Nussbaum, 49, a caregiver for her 26-year-old son with disabilities, said the rebate would help a little. "Too bad he (Bush) didn't do it sooner," she said.

Nussbaum, a Lansing Township resident, said she probably would save most of her rebate for a rainy day.

"At most, I will go out and buy me a new pair of prescription glasses," she said.

Michigan State University economics professor Charles Ballard said he believes the stimulus

package has symbolic value by giving people the impression that folks in Washington are not asleep at the wheel.

More important than the direct impact on the mid-Michigan economy, he said, is whether the stimulus package is effective in heading off a national recession. He said it's not clear whether that will happen, especially since the checks won't be sent for a few more months.

"Because the origins of this slump are in the housing and mortgage markets, I actually think the Federal Reserve monetary policy moves (cutting interest rates) are more important," Ballard said.

Having some kind of relief for businesses is important for Michigan companies, said Kristin Beltzer of the Lansing Regional Chamber of Commerce. State legislators late last year increased the state's business tax in exchange for eliminating a sales tax on some services that was passed to deal with a budget shortfall.

"We feel positive businesses are getting a break instead of getting gouged," she said.

United Auto Workers Local 724 President Dean Poggiali said he was disappointed that the stimulus package didn't include an extension to the 26-week limit on unemployment benefits.

"The fact of the matter is, folks that are getting on unemployment are in a position where that check is going back into the economy in some form or fashion," he said. "They are having to go to Meijer to buy some groceries; they're having to pay their light bill and their mortgage."

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