

# MICHIGAN TRUTH SQUAD

## MICHIGAN TRUTH SQUAD ANALYSIS: "CRAZY"

**Who:** Americans for Job Security

**Elected office seeking:** Governor

**Party:** Republican

**Primary or general election ad:** Primary

**Featured campaign material:** TV ad

### QUESTIONABLE STATEMENTS:

**"Raising taxes in the economy is crazy. But that's what Congressman Pete Hoekstra wants to do."**

Like fellow gubernatorial candidates Oakland County Sheriff Mike Bouchard and Attorney General Mike Cox, Hoekstra has signed the ["No Tax Pledge"](#) from the anti-tax Washington group, Americans for Tax reform. He announced this at the [June 2010 debate at the Mackinac Policy Conference](#) after previously stating he wouldn't sign it. He said that given the dismal economy, ["Raising taxes in this state is now out of the question."](#)

**"Higher sales taxes, a new tax on services like daycare or auto repair, higher property taxes, even higher federal income taxes."**

Hoekstra has expressed a willingness to reform Michigan's tax system, but he said in June 2010 that [there needs to be a net tax cut.](#)

This part of the ad references three newspaper articles to support the claim that Hoekstra wants to raise taxes. The first claim is that he wants to hike taxes on services "like daycare or auto repair," which references stories from the June 16, 2010, Observer & Eccentric and March 20, 2010, Detroit News. This is true, but he also wants to lower or eliminate other taxes. The congressman told the [Royal Oak Chamber of Commerce in June](#) that his "preference is to spread the sales tax over a broader base and to raise the rate." But he also said that he would "totally eliminate some other taxes," such as small business and personal property taxes. In March, at a joint appearance at Detroit Country Day School with House Speaker Andy Dillon (D-Redford Township), Hoekstra said he favors "ratcheting down the sales tax and extending it to services, but then going to voters to ask for a sales tax boost to offset reductions in other taxes," according to the Detroit News. He also said the Michigan Business Tax (MBT) should be eliminated, as well as taxes businesses pay on equipment, [something he reiterated at a May 2010 debate.](#) Hoekstra also said he wanted to lower the state income tax and the property tax on second homes.

The claim that Hoekstra wants higher property taxes references the same Observer and Eccentric story. This is misleading. The congressman was asked about changing Proposal A, the statewide funding mechanism for K-12 education passed in 1994 that relies on sales tax revenue as opposed to property tax money. He said would allow local school districts to raise millage rates to increase school funding, something that Proposal A restricts. Hoekstra is advocating local control, which could result in a tax increase, but he is not advocating a tax increase himself.

The last claim is that Hoekstra backs higher federal income taxes, citing a Dec. 18, 2005, Holland Sentinel story. That's a dated reference. Hoekstra said he was open to a temporary 3-percent ["patriot tax" to pay down the \\$315 billion budget deficit and the war in Iraq](#). This idea never got off the ground. In Congress, he [co-sponsored both the Freedom Flat Tax Act and National Fair Tax](#), which would eliminate the income tax and raise the sales tax, something popular with many economic conservatives. Speaking to the Kalamazoo Republican Women's Association in May 2010, Hoekstra said he would push to [eliminate Michigan's income tax](#).

**"Hoekstra said people look at him like he's crazy. Call Congressman Hoekstra, tell him raising taxes is crazy."**

There's no cite for Hoekstra saying people look at him like he's crazy. This is an ad hominem attack, complete with a spring sound in the background to drive the point home. What Hoekstra said in the March Detroit News story that Michigan has a "'crazy' business climate that drives investors to other states."

#### **OVERALL IMPRESSION:**

This is the second ad against Hoekstra from the independent Alexandria, Va.-based group Americans for Job Security. The first ad, ["Disappointed,"](#) was pulled from several TV stations due to inaccurate claims.

The message is simple: Pete Hoekstra is a crazy tax hiker. The ad uses a slightly befuddled picture of the congressman with the word "crazy" in bold white block letters, followed by a cash register sound ringing up all the ways he wants to raise taxes. The crazy theme is repeated at the end. The ad misstates Hoekstra's record on three types of taxes and neglects to mention what taxes he wants to eliminate and that he's signed the "No Tax Pledge."

[The Cox campaign denied in May any involvement](#) in the Americans for Job Security (AJS) ads.

AJS' address listed on its [2007 federal tax return](#) is 66 Canal Center Plaza, Suite 555, Alexandria, VA 22314. That is the same address as [WWP Strategies](#), a consultant for Mike Cox for Governor, according to the Hoekstra campaign, as confirmed by Cox spokesman Nick DeLeeuw and

reported in a May 3, 2010, Gongwer story that lists WWP consultants Katie Packer, Fred Wszolek and Lori Wortz as advisers. However, [WWP oddly does not list any contact information on its company website](#). The ads are produced by [Crossroads Media](#), which also has the same address as AJS.

The Truth Squad presented this information to DeLeeuw, who responded, "The Mike Cox campaign had absolutely nothing to do with the AJS ads." Hoekstra spokesman John Truscott called this "pure and complete coordination" and called for AJS to reveal all its donors.

AJS does not list any political contributions on its 2007 tax return. The following are officers of AJS, according to its filing with the [Commonwealth of Virginia's State Corporation Commission](#):

Stephen DeMaura, former New Hampshire GOP president, president  
Art Hackney, director, 107 West St., PMB 551, Alexandria, Va. 22314  
Tabitha Connor, director  
Patrick Hynes, director  
Nicholas Terzuli, director

**FOUL OR NO FOUL:**

Foul for misstating Hoekstra's record on taxes and implying that he's nuts.