

DATE: October 17, 2023

TO: House Economic Development and Small Business Committee

FROM: The Detroit Regional Chamber

SUBJECT: HB 5099-5102, Research and Development Tax Credit

The Detroit Regional Chamber is proud to be the voice for business in the 11-county southeast Michigan region. Our membership encompasses more than 1,800 businesses ranging from start-up companies to global Fortune 500 companies that create jobs, investment, and economic opportunity in one of the most innovative Regions in the nation.

Thank you to the sponsors, committee chair, and other members who have worked diligently on a research and development tax credit. Michigan needs a strong research and development tax credit program if we are to regain our place in the nation for these types of jobs.

The Chamber is concerned with the method this package would use to implement the research and development tax credit. The preference of the Chamber is for a research and development tax credit to be automatic and administered by the Michigan Department of Treasury. If you increase your investment in research and development, you should be able to claim the credit. As drafted, the Michigan Strategic Fund has full discretion on who can and will receive the credit.

The Detroit Regional Chamber asks that you support a research and development tax credit that is broad, automatic, and administered by the Department of Treasury.