

GRAND RAPIDS CHAMBER

To: Members of the House Economic Development and Small Business Committee
From: Marcus Keech, Director of Government Affairs
Subject: Oppose House Bills 5099-5102
Date: October 17, 2023

On behalf of the Grand Rapids Chamber and our nearly 2,600, we **oppose House Bills 5099-5102**.

First and foremost, we appreciate the work of the sponsors of this legislation and the willingness of the committee to engage in this important topic. Establishing a research and development tax credit in Michigan is important to erase a competitive disadvantage that we currently experience due to being only 1 of 14 states that do not have an R&D tax credit built into our tax code.

However, we believe that there is a more beneficial system that can be implemented that can turn our disadvantage into an advantage. A broader approach implemented within the Michigan Department of Treasury will provide certainty for businesses when determining long-term investments, such as R&D investments. These credits should be automatic and available to all companies in Michigan, and those considering investing in Michigan.

With an R&D tax credit built into our tax code, not just will it create a predictable and reliable system, but also administratively it is efficient that the credit will be automatically implemented through annual tax filings to Treasury. It is important that an R&D tax credit is available to all large and small businesses regardless of their field of expertise.

We look forward to supporting an R&D tax credit that gives Michigan a competitive advantage with the above mentioned recommendations.

If you have any questions, please do not hesitate to contact me at 616.771.0311.