

Income/Franchise:

Michigan: Newsletter Discusses R&D Credit, Case on Sourcing Wholesale Electricity Sales, Alternative Apportionment, and PTET

Treasury Update Newsletter, Mich. Dept. of Treasury, Tax Policy Division (3/25). A newsletter published by the Tax Policy Division of the Michigan Department of Treasury reminds Michigan taxpayers about:

URL: https://www.michigan.gov/treasury/-/media/Project/Websites/treasury/Newsletters/Treasury-Update-Newsletter_March2025.pdf

1. New state law providing a refundable research and development (R&D) income tax credit under Michigan's corporate income tax (CIT) and a credit against withholding by flow-through entity employers not subject to the CIT or Michigan business tax (MBT), available starting with R&D expenses incurred during the 2025 calendar year [see H.B. 5100, signed by gov. 1/13/25; H.B. 5101, signed by gov. 1/13/25; and previously issued Multistate Tax Alert for more details on the new R&D credit];
URL: <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2023-HB-5100>
URL: <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2023-HB-5101>
URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/multistate-tax-alert-michigan-establishes-an-randd-tax-credit-for-certain-authorized-businesses.pdf>
2. A recent Michigan Tax Tribunal ruling which held that a taxpayer's wholesale electricity sales must be sourced entirely to Michigan rather than ultimate destination [see *State Tax Matters*, Issue 2025-7, for additional details on this case];
URL: https://dhub.deloitte.com/Newsletters/Tax/2025/STM/250221_2.html
3. A new revenue administrative bulletin (RAB 2024-24) on the procedures and standards governing the alternative apportionment relief provisions in Parts 1 and 2 of Michigan's Income Tax Act and in the Michigan Business Tax Act in response to a 2023 Michigan Supreme Court decision addressing the use of standard versus alternative apportionment [see *State Tax Matters*, Issue 2024-50, for additional details on RAB 2024-24]; and
URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/241220_3.html
4. New state law changes related to Michigan's flow-through entity tax [see *State Tax Matters*, Issue 2025-6, for additional details on these law changes].
URL: https://dhub.deloitte.com/Newsletters/Tax/2025/STM/250214_2.html

Please contact us with any questions.

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