

Income/Franchise:

Michigan Department of Treasury Posts Guidance on New Refundable R&D Credit

Notice Regarding New Research and Development Credit, Mich. Dept. of Treasury (4/2/25). A recently posted Michigan Department of Treasury notice addresses new state law that provides 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]. The guidance describes the new credit and the process for claiming it, which differs depending on whether the claimant is a CIT taxpayer or a flow-through entity. According to the notice, "in both cases, the credit is available starting with research and development expenses incurred during the 2025 calendar year, and the first statutory filing deadline is April 1, 2026." Please contact us with any questions.

URL: <https://www.michigan.gov/treasury/reference/taxpayer-notices/notice-regarding-new-research-and-development-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>

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