

HOUSE BILL NO. 5292

November 13, 2025, Introduced by Reps. Tisdell and Lightner and referred to Committee on Finance.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending sections 605 and 680 (MCL 206.605 and 206.680), section 605 as amended by 2011 PA 307 and section 680 as amended by 2019 PA 92, and by adding section 670; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 605. (1) "Certificated credit" means either of the
2 following:

(a) A credit for which a preapproval letter has been issued to a qualified taxpayer under section 437 of former 2007 PA 36 before January 1, 2012 to the extent the credit has not been fully claimed or paid prior to January 1, 2026.

(b) A credit or voucher certificate for which a taxpayer or a qualified taxpayer has entered into an agreement with the Michigan economic growth authority under section 430, 431, 431a, 431b, 431c, 432, 434, or 450 of former 2007 PA 36 before January 1, 2012 to the extent the credit or voucher certificate has not been fully claimed or paid prior to January 1, 2026.

(2) ~~(1)~~—"Corporation" means a person that is required or has elected to file as a C corporation as defined under section 1361(a)(2) and section 7701(a)(3) of the internal revenue code. Corporation does not include an insurance company or a financial institution.

(3) ~~(2)~~—"Department" means the department of treasury.

(4) ~~(3)~~—"Employee" means an employee as defined in section 3401(c) of the internal revenue code. A person from whom an employer is required to withhold for federal income tax purposes is prima facie considered an employee.

(5) ~~(4)~~—"Employer" means an employer as defined in section 3401(d) of the internal revenue code. A person required to withhold for federal income tax purposes is prima facie considered an employer.

Sec. 670. (1) Except as otherwise provided under this section, for tax years beginning on and after January 1, 2026 and before January 1, 2036, a taxpayer with a certificated credit may claim the remaining amount of that certificated credit against the taxpayer's tax liability under this part. To the extent possible,

1 the credit allowed under this section must be claimed in equal
 2 installments over the next 10 years, beginning with the 2026 tax
 3 year. A taxpayer that does not, as determined by the department,
 4 maintain at least 95% of the number of full-time jobs that the
 5 taxpayer had in this state on September 30, 2025 in any tax year is
 6 not eligible to claim the credit under this section for that tax
 7 year or in any subsequent tax year. The department may require the
 8 taxpayer to submit reasonable proof of the number of full-time jobs
 9 maintained in this state each tax year.

10 (2) If the credit allowed under this section exceeds the tax
 11 liability of the taxpayer for the tax year, that portion of the
 12 credit that exceeds the tax liability must be refunded.

13 (3) As used in this section, "full-time job" means a job
 14 performed for 35 hours or more each week by an individual whose
 15 income and Social Security taxes are withheld by 1 or more of the
 16 following:

17 (a) The taxpayer.

18 (b) An employee leasing company.

19 (c) A professional employer organization on behalf of the
 20 taxpayer.

21 Sec. 680. (1) Notwithstanding any other provision of this
 22 part, except as otherwise provided in subsection (2) for a
 23 certificated credit under section 435 or 437 of ~~the Michigan~~
 24 ~~business tax act, former~~ 2007 PA 36, ~~MCL 208.1435 and 208.1437,~~ or
 25 in subsection (5) for a certificated credit under section 431 of
 26 ~~the Michigan business tax act, former~~ 2007 PA 36, ~~MCL 208.1431,~~ a
 27 taxpayer that has been approved to receive, has received, or has
 28 been assigned a certificated credit that has not been fully claimed
 29 or paid prior to January 1, 2012 may, for the taxpayer's first tax

1 year ending after December 31, 2011 only, elect to file a return
 2 and pay the tax imposed by ~~the Michigan business tax act, former~~
 3 2007 PA 36, ~~MCL 208.1101 to 208.1601,~~ in lieu of the tax imposed by
 4 this part. An election under this subsection shall continue ~~for the~~
 5 ~~period prescribed in section 500(1) of the Michigan business tax~~
 6 ~~act, 2007 PA 36, MCL 208.1500.~~ **through December 31, 2025.**

7 (2) A taxpayer with a certificated credit under section 435 or
 8 437 of ~~the Michigan business tax act, former~~ 2007 PA 36, ~~MCL~~
 9 ~~208.1435 and 208.1437,~~ which certificated credit may be claimed in
 10 a tax year ending after December 31, 2011 may elect to pay the tax
 11 imposed by ~~the Michigan business tax act, former~~ 2007 PA 36, ~~MCL~~
 12 ~~208.1101 to 208.1601,~~ in the tax year in which that certificated
 13 credit or any unused carryforward may be claimed in lieu of the tax
 14 imposed by this part.

15 (3) A taxpayer that is a member of a unitary business group
 16 and that has a certificated credit under sections 431 and 434(2)
 17 and (5) of ~~the Michigan business tax act, former~~ 2007 PA 36, ~~MCL~~
 18 ~~208.1431 and 208.1434,~~ is not required to file a combined return as
 19 a unitary business group and may elect to file a separate return
 20 and pay the tax, if any, under ~~the Michigan business tax act,~~
 21 **former** 2007 PA 36. ~~, MCL 208.1101 to 208.1601.~~

22 (4) A taxpayer that elects to pay the tax imposed by ~~the~~
 23 ~~Michigan business tax act, former~~ 2007 PA 36, ~~MCL 208.1101 to~~
 24 ~~208.1601,~~ under this section is not required to file an annual
 25 return under this part.

26 (5) A taxpayer that acquires, pursuant to the modification of
 27 an existing written agreement approved by a resolution of the
 28 Michigan strategic fund board on November 27, 2018 and the
 29 subsequent transfer of that written agreement, a certificated

1 credit authorized by the Michigan economic growth authority in 2004
 2 under section 431 of ~~the Michigan business tax act,~~ **former** 2007 PA
 3 36, ~~MCL 208.1431,~~ may, for the first tax year ending after October
 4 1, 2018 only, elect to file the return and pay the tax imposed by
 5 ~~the Michigan business tax act,~~ **former** 2007 PA 36, ~~MCL 208.1101 to~~
 6 ~~208.1601,~~ in lieu of the tax imposed by this part as long as the
 7 Michigan economic growth authority or its successor determines that
 8 the modification and subsequent transfer of that credit reduces the
 9 total amount of the credit. However, if the first tax year ending
 10 after October 1, 2018 ends before ~~the effective date of the~~
 11 ~~amendatory act that added this subsection~~ **October 10, 2019** and the
 12 taxpayer has already filed a return for that tax year under this
 13 part, then the taxpayer may, if within the statute of limitations
 14 period prescribed under section 27a of 1941 PA 122, MCL 205.27a,
 15 elect under this subsection to file the return and pay the tax
 16 imposed by ~~the Michigan business tax act,~~ **former** 2007 PA 36, ~~MCL~~
 17 ~~208.1101 to 208.1601,~~ for that tax year by filing the necessary
 18 amended return under this part and filing an original return as
 19 provided under section 505 of ~~the Michigan business tax act,~~ **former**
 20 2007 PA 36. ~~, MCL 208.1505.~~ An election under this subsection shall
 21 continue ~~for the period prescribed in section 500 of the Michigan~~
 22 ~~business tax act, 2007 PA 36, MCL 208.1500.~~ **through December 31,**
 23 **2025.**

24 (6) As used in this section, "certificated credit" means that
 25 term as defined in section 107 of ~~the Michigan business tax act,~~
 26 **former** 2007 PA 36. ~~, MCL 208.1107.~~

27 Enacting section 1. The Michigan business tax act, 2007 PA 36,
 28 MCL 208.1101 to 208.1519, is repealed effective for tax years that
 29 begin after December 31, 2025.

1 Enacting section 2. This amendatory act does not take effect
2 unless House Bill No. 5293 (request no. H05227'25) of the 103rd
3 Legislature is enacted into law.