

HOUSE BILL NO. 5293

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

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 714.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 714. (1) Subject to the limitations under this section,
2 for tax years beginning on and after January 1, 2026 and before
3 January 1, 2036, an employer that creates a qualified new job may
4 claim a credit in an amount equal to 50% of the amount of income
5 tax withheld under this chapter that is attributable to each

1 qualified new job against the taxes required to be withheld and
2 remitted to this state under this chapter.

3 (2) To be eligible for a credit under this section, an
4 employer must submit, in a form and manner as prescribed by the
5 department, a tentative claim for which a credit under this section
6 is sought to the department on or before March 15 after the
7 calendar year ending with or within the tax year for which the
8 employer intends to submit a claim for the credit. The tentative
9 claim must include, at a minimum, the total number of full-time
10 jobs maintained by the employer during the calendar year and the
11 number of qualified new jobs for which a credit is being claimed
12 for that same calendar year. The department shall review all
13 tentative claims submitted under this section and if the amount of
14 tentative claims submitted exceeds the maximum amount allowed under
15 subsection (3), the department shall publish a notice on its
16 website notifying claimants of the adjustment to the tentative
17 claims for that calendar year as required under subsection (3).

18 (3) The aggregate amount of credits allowed to be claimed by
19 all employers under this section in a single calendar year must not
20 exceed \$50,000,000.00. To the extent the department receives
21 tentative claims for credits from small employers in excess of
22 \$10,000,000.00, not less than \$10,000,000.00 of the \$50,000,000.00
23 each calendar year must be approved for those small employers. To
24 the extent the department receives tentative claims for credits
25 from medium employers in excess of \$15,000,000.00, not less than
26 \$15,000,000.00 of the \$50,000,000.00 each calendar year must be
27 approved for those medium employers. To the extent the department
28 receives tentative claims for credits from large employers in
29 excess of \$25,000,000.00, not less than \$25,000,000.00 of the

1 \$50,000,000.00 each calendar year must be approved for those large
2 employers. If the aggregate amount of tentative claims submitted
3 under this section for small employers, medium employers, or large
4 employers exceeds the respective cap for any of those employers,
5 the amount of the tentative claims submitted must be prorated so
6 that each claimant's allowed credits equal that claimant's pro rata
7 share of the maximum amount of credits allowed to be claimed in
8 that claimant's respective category.

9 (4) If an employer is also a taxpayer that is not eligible to
10 claim a credit under section 670 because that taxpayer failed to
11 maintain at least 95% of the full-time jobs that the taxpayer had
12 in this state on September 30, 2025 as required under section 670
13 during any tax year, then that employer is also not eligible to
14 claim a credit under this section for that first tax year that the
15 taxpayer failed to satisfy that 95% requirement.

16 (5) A member of a flow-through entity that submits a claim for
17 a credit under this section is not allowed to claim any portion of
18 that credit. An employer shall not assign or transfer all or any
19 portion of a credit allowed under this section. A credit or any
20 portion of a credit allowed under this section is not assignable or
21 transferable either by agreement or by operation of law.

22 (6) An employer shall, in a form and manner as prescribed by
23 the department, file a claim for a credit under this section with
24 the annual return required under section 711 for the tax year in
25 which a tentative claim for a credit under this section is
26 submitted. The credits allowed under this section must be claimed
27 after all allowable nonrefundable credits under this act. If the
28 amount of the credit allowed under this section for the tax year
29 and any unused carryforward of the credit allowed under this

1 section exceeds the tax liability of the employer for the tax year,
2 that portion of the credit that exceeds the tax liability must not
3 be refunded, but may be carried forward as an offset in subsequent
4 tax years for 3 tax years or until the excess credit is used up,
5 whichever occurs first.

6 (7) As used in this section:

7 (a) "Facility" means a site or sites within this state in
8 which an employer creates qualified new jobs.

9 (b) "Full-time job" means a job performed for 35 hours or more
10 each week by an individual whose income and Social Security taxes
11 are withheld by 1 or more of the following:

12 (i) The employer.

13 (ii) An employee leasing company.

14 (iii) A professional employer organization on behalf of the
15 employer.

16 (c) "Large employer" means an employer that has 1,000 or more
17 full-time employees.

18 (d) "Medium employer" means an employer that has 100 or more
19 full-time employees but less than 1,000 full-time employees.

20 (e) "Prosperity region" means each of the 10 prosperity
21 regions identified by the department of technology, management, and
22 budget on August 25, 2017.

23 (f) "Prosperity region median wage" means the median annual
24 wage for the prosperity region where the facility is located based
25 on the most recent data made available by the Michigan bureau of
26 labor market information and strategic initiatives.

27 (g) "Qualified new job" means a permanent, full-time job
28 created by an employer at a facility in this state that is in
29 excess of the permanent, full-time jobs that the employer had

1 employed in this state as of September 30, 2025 and that pays an
2 annual wage that is equal to 150% or more of the prosperity region
3 median wage.

4 (h) "Small employer" means an employer that has less than 100
5 full-time employees.

6 Enacting section 1. This amendatory act does not take effect
7 unless House Bill No. 5292 (request no. H05251'25) of the 103rd
8 Legislature is enacted into law.