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A Milestone for Innovation: Michigan Passes R&D Tax Credit Legislation

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The protracted – and at times frustrating – journey to reestablish an economic development incentive specifically aimed at research and development in Michigan ended with the passage of HB 5100-5101, also known as the R&D tax credit, in the State Senate on Dec. 20. With it, Michigan has taken a pivotal step to bolster innovation and economic growth, representing a monumental victory for the automotive industry, mobility entrepreneurs, and research-driven companies across the state.

Once officially enacted, the R&D tax credit will stimulate significant investments in groundbreaking research and cutting-edge technology while leveraging Michigan's existing businesses and world-class research universities.

This vital new economic development tool reinforces Michigan's position as a global leader in R&D, sharpening its competitive edge in attracting talent and investment. Joining 36 other states that offer state-level R&D tax credits, Michigan's move signals its commitment to being the home of automotive R&D, both now and in the future.

MichAuto investor DENSO, a tier-one supplier, knows the importance of this legislation all too well.



Michigan means this new tax credit can catalyze even greater growth by DENSO and other companies with significant R&D footprints in Michigan.

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Finally, true to this legislation's essential nature, it took a bipartisan collation of legislators to finally get this done. Indeed, even in this moment of hyper-partisan politics, an important win not

just for businesses but for every resident of our state who benefits from a thriving, innovative economy was nevertheless realized. Michigan is officially doubling down on its R&D ecosystem and securing its place in the global innovation race, and not a moment too soon.

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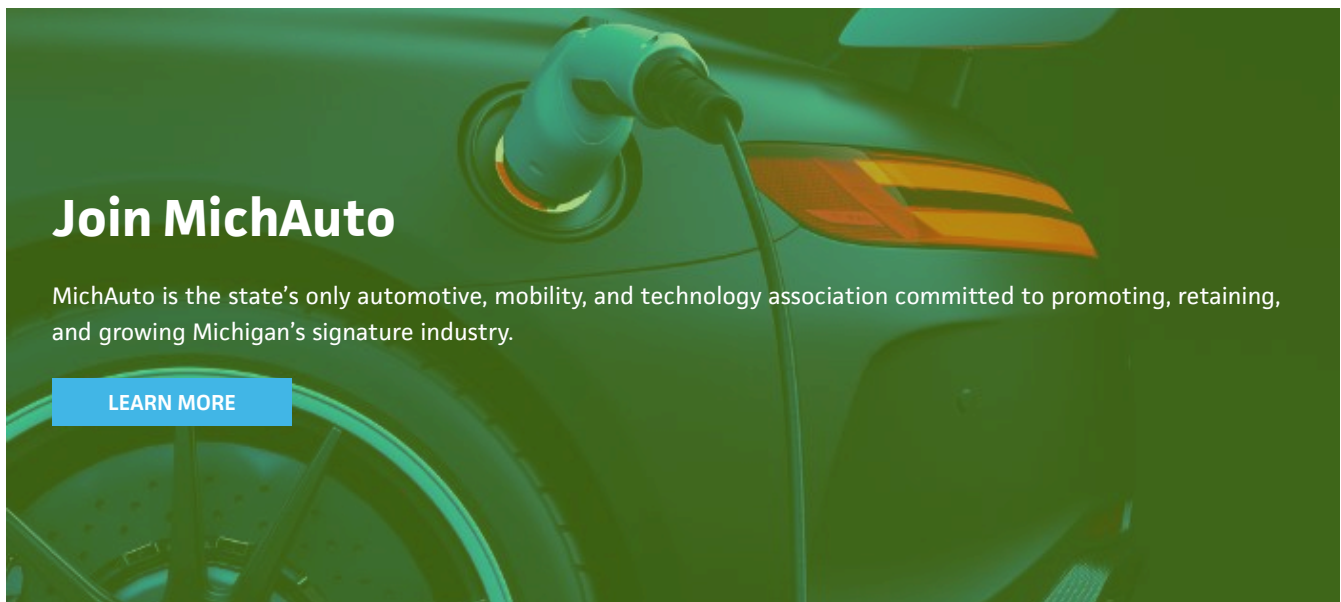
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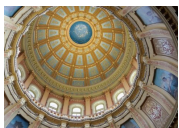
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