



Hall's Second Road Funding Proposal Won't Raise Revenue, As Whitmer Asks

1/16/25

House Speaker [Matt HALL \(R-Richland Township\)](#) updated his road funding proposal this morning, still without raising revenue, but this time using \$3.1 billion instead of \$2.7 billion (See "[Hall's \\$2.7B Proposal Sparks Curiosity, Apprehension,](#)" 11/22/24).

Hall's initial plan dedicated \$1.7 billion from the Corporate Income Tax (CIT) from roads, but a press release states that upon review, that number looks more like \$2.2 billion.

The breakdown from CIT includes:

- \$500 million from eliminating MEGA credits
- \$500 million preventing legislative earmarks
- \$600 million from the Consensus Revenue Estimating Conference's higher-than-expected findings last week
- \$500 million from the Strategic Outreach and Attraction Reserve (SOAR) fund
- \$50 million from the expiring Revitalization and Placemaking (RAP) Program
- \$50 million that would have been deposited into the expiring Housing and Community Development (HCDF) fund

The remaining \$945 million would permanently dedicate all motor fuel taxes to road funding. His press release says that in eliminating the gas tax and replacing it with a motor fuel tax that would go entirely to roads, \$700 million would be dedicated to roads so they don't feel a funding shift.

Hall also mentioned investing in water and sewer infrastructure, establishing a Public Safety Trust Fund, funding law enforcement and emergency services, cracking down on earmarks, lame-duck reform and the revolving door of legislators becoming lobbyists as priorities for House Republicans this term.

This morning's press release comes after Gov. [Gretchen WHITMER](#) renewed her call to develop a long-term road funding solution with a mixture of revenue increases and spending cuts.

"Since taking office, Governor Whitmer has invested over \$19 billion in Michigan's roads and bridges as part of her Rebuilding Michigan bond plan, helping to fix more than 23,000 lane miles of road and 1,600 bridges, supporting over 118,000 jobs," said Stacey **LAROUCHE**, the governor's press secretary. "We know there's more work to do, and that's why the governor called for a sustainable, long-term road funding solution in her Road Ahead Address yesterday. We are going to need serious ideas, including new revenue streams and responsible cuts, to make sure we can fix our roads with the right mix and materials for years to come. Governor Whitmer is ready to roll up her sleeves and work with anyone to get this done."

A source speaking on background shared that a total of 113,362 Michigan jobs were built into agreements under the 12 active MEGA agreements through 2024 to realize the benefits of the tax credit, meaning those jobs might be at risk if those credits are eliminated (See ["Why Don't We Just Get Rid Of The MBT? 1/10/25"](#)).

It sounds like the leadership in the upper chamber doesn't consider this a "serious" proposal, either.

"It's big on cuts and short on details," Senate Majority Leader [Winnie BRINKS \(D-Grand Rapids\)](#) said.

In the meantime, though, Hall emphasized to reporters today that he is the only one who has unveiled any sort of plan, and now, he's done it twice.

Rep. [Alabas A. FARHAT \(D-Dearborn\)](#), Hall's pick for House Appropriations Committee minority vice chair, said in a statement that he could support his plan if school funding is increased and held harmless.

Last term, Farhat introduced a bill to raise taxes on large corporations to fund schools, emphasizing once again today that Michigan has one of the lowest CIT rates in the region.

"I want you to find a rep or senator to go on the record with you opposing that bill to increase funding for schools," Farhat told *MIRS*.