

Want To Keep Corporate Incentives? Hall Says He's Open To Raising The CIT 2/6/25

If the Governor or Senate Democrats want to continue corporate incentives as part of a broader road-funding deal, House Speaker Matt HALL (R-Richland Township) said today he'd be open to supporting a corporate income tax (CIT) hike.

Hall said he'd prefer the state not give corporate incentives and the CIT be lowered, but if the corporations want the incentives for a few of the "best-connected" among them, he's open to increasing the rate, which has been at 6% since its inception under Gov. Rick **SNYDER**.

"I'll tell you what I'm not open to. I'm not open to raising the gas tax, raising fees or anything else that's going to shift this burden onto working people in Michigan," he said. "I'm not going to do that because some corporations come here and lobby us for incentives."

The comments came as part of an hour-long press conference Hall is doing seemingly every week since being elected speaker. Full video of the press conference is available on the MIRS Facebook page.

The subject came up during the Speaker's weekly press conference when he was asked if he would support raising the CIT to fund roads, to which he said "Yes," but he later clarified that he misunderstood the question.

Hall said raising the CIT could be an option if the Governor wants to retain corporate incentives and she's looking for a way to pay for them.

Earlier in the press conference, Hall said he was concerned that the Governor's budget presentation Wednesday will be rendered "obsolete" if she spent all but \$29 million available for Fiscal Year (FY) 2026 without carving out more than \$3 billion for road improvements.

He reminded reporters about his revamped \$3.1 billion road funding plan and believes Gov. <u>Gretchen WHITMER</u> may be moving more toward his line of thinking of finding revenue within the budget for roads, as opposed to only looking at new revenue.

However, he would view a FY '26 budget as being a success if:

- It's a smaller budget than last year
- It reduces the 4.25% income tax to 4.05%
- It includes a Public Safety Trust Fund so local law enforcement has a dedicated revenue stream from the state
- And it includes \$3.1 billion in new revenue for the roads.

Hall conceded there will need to be some trims to fund the income tax cut, but that Rep. Matt MADDOCK (R-Milford) and House Appropriations Committee Chair Ann BOLLIN (R-Brighton) will find places in the budget to cut.

Hall called the statutory requirement that a budget be completed by July 1 as a "good aspirational goal," but realistically, he's looking at Sept. 30 as being the drop-dead date that a budget gets done.

He said he voted for legislation creating the July 1 deadline that didn't include penalties for non-compliance, and he hopes it can happen.

However, state departments will need to help committee chairs find value and return on investment in their programs. The Senate also will need to be "collaborative." Still, he sees Sept. 30 as the realistic deadline.

"With the right leader, me, as Speaker of the House, we will drag <u>Winnie BRINKS</u> (<u>D-Grand Rapids</u>) over the line and we will get this budget done, even if <u>Mallory MCMORROW</u> (<u>D-Royal Oak</u>) wants to shut down the government. It's not going to happen with me as Speaker of the House. We're going to get it done."

The reference to Sen. McMorrow comes from an Off The Record interview from last year before the election in which she expressed concern that Republican leadership in government as of late has been based on obstructionism.

"My fear is that if Democrats lose the statehouse, the Matt Mall version is to grind everything to a halt, and we could see a government shutdown. And I don't think that's acceptable."

Hall argues that McMorrow will be working to make a shutdown happen just to say she was right.

Other items of note from today's press conference:

 Roughly a month into his speakership, Hall said he has not met face-to-face with Senate Majority Leader Brinks. Asked if he thought that was strange, he said, "I was speaker for 18 or 19 days and they sued me."

He added that he has spoken with Brinks on the phone "a couple of times," the most memorable time coming "30 minutes" before she held the press conference where she announced the lawsuit (see related story).

"That's not what they call old school," he deadpanned.

• The Speaker said he's received positive feedback from Democratic members on their committee assignments, telling him they feel they are better off with what they received than what House Minority Leader Puri recommended for them.

"I have the applications of every one of these members, so I know where they wanted to serve and I did my best to put them there," he said. "I'm telling you, they are calling me and thanking me."