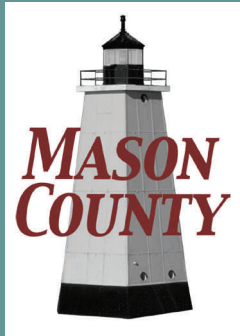


# Job Creation Tax Credits

Michigan  
Economic  
Growth  
Authority (MEGA)



GROWTH  
ALLIANCE

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**MEGA** was created to promote high quality economic growth and job creation. Since their inception in 1995, MEGA tax credits have spurred an estimated \$5.1 billion in private investment, creating 29,000 jobs and spinning off another 35,000.

Companies eligible for a refundable job creation tax credit against the Michigan Single Business Tax are those engaged in manufacturing, R&D, wholesale trade, or office operations that are financially sound and have solid proposals. Retail facilities are not eligible. Each credit may be awarded for up to 20 years and up to 100% of the amount of the project.

Factors governing the amount and duration of credits:

- Creation of at least 75 new jobs for in-state, 150 for out-of-state, companies. Contract employees do not count toward the requirement. The new jobs must be in addition to those existing during the year preceding application for the credit; previously existing jobs must be maintained for the life of the credit
- Tax credits must address any competitive disadvantage of expanding or locating the business in Michigan, and must be necessary for the expansion/location to be made in Michigan
- A local organization must make a financial or economic commitment to the project
- The project cannot be announced or work started before the MEGA award
- The average wage must equal or exceed 150% of the federal minimum wage
- Total capital investment of the business
- Impact of the project on Michigan's economy

An eight-member board, comprised of the CEO of the Michigan Economic Development Corporation, the State Treasurer, the directors of the state departments of Management and Budget and Transportation, and four private-sector members appointed by the Governor, evaluates project applications.

At its January 25, 2000 meeting, the Board adopted a resolution to increase the fee for companies applying for MEGA tax credits. Beginning with the March, 2000 Board meeting, the new application fee is \$5,000. This fee is collected at the time the company submits its final application for a credit.

In addition, a one-time only administrative fee of ½ of one percent of the estimated value of the incentive will be collected. This fee is payable at the time the company is certifying its eligibility to receive awards (i.e., prior to or on Anniversary Date) and is limited to no more than \$100,000.

Contact us today if you believe you may qualify for this incentive.