

**SUBSTITUTE FOR  
HOUSE BILL NO. 6053**

A bill to amend 2014 PA 92, entitled  
"State essential services assessment act,"  
by amending section 7 (MCL 211.1057), as amended by 2017 PA 262.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 7. (1) The department shall collect and administer the  
2 assessment as provided in this section.

3           (2) Not later than May 1 in each assessment year, the  
4 department shall make available in electronic form to each eligible  
5 claimant a statement for calculation of the assessment as provided  
6 in section 5. That statement shall be developed from the  
7 information submitted by the eligible claimant on the combined  
8 document as required by sections 9m and 9n of the general property  
9 tax act, 1893 PA 206, MCL 211.9m and 211.9n.

10           (3) Not later than ~~August~~**OCTOBER** 15 in each assessment year,

1 each eligible claimant shall electronically revise as necessary and  
2 certify the completed statement and make full payment of the  
3 assessment levied under section 5 for that assessment year as  
4 calculated in section 5(2). The department may waive or delay the  
5 electronic certification requirement at its discretion. The  
6 department may accept a timely filed statement that calculates the  
7 tax under this act that is transmitted and certified using  
8 reporting software approved by the department, subject to audit  
9 under subsection (6). A statement certified by an eligible claimant  
10 shall include all of the eligible claimant's eligible personal  
11 property located in this state subject to the assessment levied  
12 under section 5. The statement required under this subsection shall  
13 not be subject to disclosure under the freedom of information act,  
14 1976 PA 442, MCL 15.231 to 15.246.

15 (4) If an eligible claimant does not certify the statement and  
16 full payment of the assessment levied under section 5 by ~~August~~  
17 **OCTOBER** 15, the department shall issue a notice to the eligible  
18 claimant not later than ~~September~~**NOVEMBER** 15. The notice shall  
19 include a statement explaining the consequences of nonpayment as  
20 set forth in subsection (5) and instructing the eligible claimant  
21 of its potential responsibility under subsection (5)(e). An  
22 eligible claimant shall submit payment in full by ~~October~~**APRIL** 15  
23 of the **YEAR FOLLOWING THE** assessment year along with a penalty of  
24 ~~1% per week~~**5% PER MONTH** on the unpaid balance for each ~~week~~**MONTH**  
25 payment is not made in full up to a maximum of ~~5%~~**30%** of the total  
26 amount due and unpaid. **IN CALCULATING THE PENALTY, A PARTIAL MONTH**  
27 **IS CONSIDERED A WHOLE MONTH AND THE PENALTY SHALL NOT BE PRORATED**

1 **BASED ON THE DAY OF THE MONTH THE LATE PAYMENT IS RECEIVED.** For the  
2 eligible claimant's first assessment year, the penalty shall be  
3 waived if the eligible claimant certifies the statement and makes  
4 full payment of the assessment levied under section 5 by ~~September~~  
5 **NOVEMBER** 15. An eligible claimant may amend a certified statement  
6 for the current year up to ~~September~~**OCTOBER** 15. ~~Payments made due~~  
7 ~~to an amended statement are subject to the penalties as described~~  
8 ~~in this subsection.~~ The department shall issue refunds for  
9 overpayments due to an amended statement. All refunds due to  
10 overpayment shall be remitted without interest except as provided  
11 by section 37 of the tax tribunal act, 1973 PA 186, MCL 205.737.

12 (5) For any assessment year in which an eligible claimant does  
13 not submit payment in full and any penalty due under subsection (4)  
14 or (6) by ~~October~~**APRIL 15 OF THE YEAR FOLLOWING THE ASSESSMENT**  
15 **YEAR**, or if the department discovers that the property is not  
16 eligible under section 9m or 9n of the general property tax act,  
17 1893 PA 206, MCL 211.9m and 211.9n, all of the following shall  
18 apply:

19 (a) The department shall rescind no later than the first  
20 Monday in ~~December~~**JUNE** for the **IMMEDIATELY PRECEDING** assessment  
21 year any exemption described in section 9m or 9n of the general  
22 property tax act, 1893 PA 206, MCL 211.9m and 211.9n, granted for  
23 any parcel for which payment in full and any penalty due have not  
24 been received or for which the department discovers that the  
25 property is not eligible under section 9m or 9n of the general  
26 property tax act, 1893 PA 206, MCL 211.9m and 211.9n.

27 (b) Upon request of the department, the state tax commission

1 shall issue an order to rescind no later than the first Monday in  
2 ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment year any  
3 exemption under section 9f of the general property tax act, 1893 PA  
4 206, MCL 211.9f, which exemption was approved under section 9f of  
5 the general property tax act, 1893 PA 206, MCL 211.9f, after 2013  
6 for any parcel for which payment in full and any penalty due have  
7 not been received or for which the state tax commission discovers  
8 that the property is not eligible personal property.

9 (c) Upon request of the department, the state tax commission  
10 shall issue an order to rescind no later than the first Monday in  
11 ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment year any  
12 exemption for eligible personal property subject to an extended  
13 industrial facilities exemption certificate under section 11a of  
14 1974 PA 198, MCL 207.561a, for any parcel for which payment in full  
15 and any penalty due have not been received or for which the  
16 department discovers that the property is not eligible personal  
17 property.

18 (d) Upon request of the department, the state tax commission  
19 shall issue an order to rescind no later than the first Monday in  
20 ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment year any  
21 extended exemption for eligible personal property under section  
22 9f(8)(a) of the general property tax act, 1893 PA 206, MCL 211.9f,  
23 for any parcel for which payment in full and any penalty due have  
24 not been received or for which the department discovers that the  
25 property is not eligible personal property.

26 (e) The eligible claimant shall file with the assessor of the  
27 township or city within 30 days of the date of the rescission

1 issued under subdivisions (a) to (d) a statement under section 19  
2 of the general property tax act, 1893 PA 206, MCL 211.19, for all  
3 property for which the exemption has been rescinded under this  
4 section.

5 (f) Within 60 days of a rescission under subdivisions (a) to  
6 (d), the treasurer of the local tax collecting unit shall issue  
7 amended tax bills for any taxes, including penalty and interest,  
8 that were not billed under the general property tax act, 1893 PA  
9 206, MCL 211.1 to 211.155, or under 1974 PA 198, MCL 207.551 to  
10 207.572, and that are owed as a result of the rescission.

11 (6) An eligible claimant shall provide access to the books and  
12 records, for audit purposes, relating to the location and  
13 description; the date of purchase, lease, or acquisition; and the  
14 purchase price, lease amount, or value of all personal property  
15 owned by, leased by, or in the possession of that person or a  
16 related entity if requested by the assessor of the township or  
17 city, county equalization department, or department for the year in  
18 which the statement is filed and the immediately preceding 3 years.  
19 The department shall develop and implement an audit program which  
20 includes, but is not limited to, the audit of statements submitted  
21 under subsection (3) and amended statements submitted under  
22 subsection (4) for the current calendar year and the 3 calendar  
23 years immediately preceding the commencement of an audit. An  
24 assessment as a result of an audit shall be paid in full within 35  
25 days of issuance and shall include penalties and interest as  
26 described in section 154(3) of the general property tax act, 1893  
27 PA 206, MCL 211.154. Refunds as a result of an audit under this

1 subsection shall be without interest. The exemption for personal  
2 property for which an assessment has been issued as a result of an  
3 audit under this subsection shall be subject to the rescission  
4 provisions of subsection (5) for the years of the assessment if  
5 full payment is not timely made as required by this subsection.

6 (7) An eligible claimant may appeal an assessment levied under  
7 section 5 or a penalty or rescission under this section to the  
8 Michigan tax tribunal by filing a petition not later than December  
9 31 in that tax year. An eligible claimant may appeal an assessment  
10 issued, including penalties, interest, or rescission, as a result  
11 of an audit conducted under subsection (6) by filing a petition  
12 with the Michigan tax tribunal within 35 days of the date of that  
13 assessment's issuance. The department may appeal to the Michigan  
14 tax tribunal by filing a petition for the current calendar year and  
15 3 immediately preceding calendar years.

16 (8) The department may require eligible claimants to annually  
17 file by the dates required under the general property tax act, 1893  
18 PA 206, MCL 211.1 to 211.155, a combined document that includes the  
19 form to claim the exemption under sections 9f(9), 9m, and 9n of the  
20 general property tax act, 1893 PA 206, MCL 211.9f, 211.9m, and  
21 211.9n, and under section 11a of 1974 PA 198, MCL 207.561a, a  
22 report of the fair market value and year of acquisition by the  
23 first owner of eligible personal property, and for any year before  
24 2023, a statement under section 19 of the general property tax act,  
25 1893 PA 206, MCL 211.19. All of the following apply to the filing  
26 of a combined document under this subsection:

27 (a) The combined document shall be in a form prescribed by the

1 department.

2 (b) As provided in sections 9m and 9n of the general property  
3 tax act, 1893 PA 206, MCL 211.9m and 211.9n, leasing companies are  
4 not eligible to receive the exemption for qualified new personal  
5 property and qualified previously existing personal property and  
6 may not use the combined document prescribed in this section. With  
7 respect to personal property that is the subject of a lease  
8 agreement, regardless of whether the agreement constitutes a lease  
9 for financial or tax purposes, all of the following apply:

10 (i) If the personal property is eligible manufacturing  
11 personal property, the lessee and lessor may elect that the lessee  
12 report the leased personal property on the combined document.

13 (ii) An election made by the lessor and the lessee under this  
14 subdivision shall be made in a form and manner approved by the  
15 department.

16 (iii) Absent an election, the personal property shall be  
17 reported by the lessor on the personal property statement unless  
18 the exemption for eligible manufacturing personal property is  
19 claimed by the lessee on the combined document.

20 (c) For eligible personal property exempt under the Michigan  
21 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, an  
22 eligible claimant shall report the fair market value of that  
23 personal property at the time of acquisition by the first owner,  
24 including the cost of freight, sales tax, installation, and other  
25 capitalized costs, except capitalized interest.

26 (d) The combined document shall be filed with the assessor of  
27 the township or city in which the eligible personal property is

1 located.

2 (e) The assessor shall transmit the information contained in  
3 the combined document filed under this subsection, and other parcel  
4 information required by the department, to the department in the  
5 form and in the manner prescribed by the department no later than  
6 April 1.

7 Enacting section 1. This amendatory act does not take effect  
8 unless House Bill No. 6054 of the 99th Legislature is enacted into  
9 law.