

**SENATE 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.

1 (3) Not later than August 15 in each assessment year, each
2 eligible claimant shall electronically revise as necessary and
3 certify the completed statement and make full payment of the
4 assessment levied under section 5 for that assessment year as
5 calculated in section 5(2). The department may waive or delay the
6 electronic certification requirement at its discretion. The
7 department may accept a timely filed statement that calculates the
8 tax under this act that is transmitted and certified using
9 reporting software approved by the department, subject to audit
10 under subsection (6). A statement certified by an eligible claimant
11 shall include all of the eligible claimant's eligible personal
12 property located in this state subject to the assessment levied
13 under section 5. The statement required under this subsection shall
14 not be subject to disclosure under the freedom of information act,
15 1976 PA 442, MCL 15.231 to 15.246.

16 (4) If an eligible claimant does not certify the statement and
17 full payment of the assessment levied under section 5 by August 15,
18 the department shall issue a notice to the eligible claimant not
19 later than September 15. The notice shall include a statement
20 explaining the consequences of nonpayment as set forth in
21 subsection (5) and instructing the eligible claimant of its
22 potential responsibility under subsection (5)(e). An eligible
23 claimant shall submit payment in full by ~~October~~**APRIL** 15 of the
24 **YEAR FOLLOWING THE** assessment year along with a penalty of ~~1% per~~
25 ~~week~~**3% PER MONTH** on the unpaid balance for each ~~week~~**MONTH** payment
26 is not made in full up to a maximum of ~~5%~~**27%** of the total amount
27 due and unpaid. **IN CALCULATING THE PENALTY, A PARTIAL MONTH IS**

1 **CONSIDERED A WHOLE MONTH AND THE PENALTY SHALL NOT BE PRORATED**
2 **BASED ON THE DAY OF THE MONTH THE LATE PAYMENT IS RECEIVED.** For the
3 eligible claimant's first assessment year, the penalty shall be
4 waived if the eligible claimant certifies the statement and makes
5 full payment of the assessment levied under section 5 by September
6 15. An eligible claimant may amend a certified statement for the
7 current year up to September 15. Payments made due to an amended
8 statement are subject to the penalties as described in this
9 subsection. The department shall issue refunds for overpayments due
10 to an amended statement. All refunds due to overpayment shall be
11 remitted without interest except as provided by section 37 of the
12 tax tribunal act, 1973 PA 186, MCL 205.737.

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

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

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

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

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

27 (e) The eligible claimant shall file with the assessor of the

1 township or city within 30 days of the date of the rescission
2 issued under subdivisions (a) to (d) a statement under section 19
3 of the general property tax act, 1893 PA 206, MCL 211.19, for all
4 property for which the exemption has been rescinded under this
5 section.

6 (f) Within 60 days of a rescission under subdivisions (a) to
7 (d), the treasurer of the local tax collecting unit shall issue
8 amended tax bills for any taxes, including penalty and interest,
9 that were not billed under the general property tax act, 1893 PA
10 206, MCL 211.1 to 211.155, or under 1974 PA 198, MCL 207.551 to
11 207.572, and that are owed as a result of the rescission.

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

1 PA 206, MCL 211.154. Refunds as a result of an audit under this
2 subsection shall be without interest. The exemption for personal
3 property for which an assessment has been issued as a result of an
4 audit under this subsection shall be subject to the rescission
5 provisions of subsection (5) for the years of the assessment if
6 full payment is not timely made as required by this subsection.

7 (7) An eligible claimant may appeal an assessment levied under
8 section 5 or a penalty or rescission under this section to the
9 Michigan tax tribunal by filing a petition not later than December
10 31 in that tax year. An eligible claimant may appeal an assessment
11 issued, including penalties, interest, or rescission, as a result
12 of an audit conducted under subsection (6) by filing a petition
13 with the Michigan tax tribunal within 35 days of the date of that
14 assessment's issuance. The department may appeal to the Michigan
15 tax tribunal by filing a petition for the current calendar year and
16 3 immediately preceding calendar years.

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

1 (a) The combined document shall be in a form prescribed by the
2 department.

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

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

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

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

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

27 (d) The combined document shall be filed with the assessor of

1 the township or city in which the eligible personal property is
2 located.

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

8 Enacting section 1. This amendatory act applies to taxes
9 levied after December 31, 2018.

10 Enacting section 2. This amendatory act does not take effect
11 unless House Bill No. 6054 of the 99th Legislature is enacted into
12 law.