

HOUSE BILL No. 6053

May 22, 2018, Introduced by Rep. Albert and referred to the Committee on Tax Policy.

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 15 in each assessment year, each
11 eligible claimant shall electronically revise as necessary and

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

14 (4) If an eligible claimant does not certify the statement and
15 full payment of the assessment levied under section 5 by August 15,
16 the department shall issue a notice to the eligible claimant not
17 later than September 15. The notice shall include a statement
18 explaining the consequences of nonpayment as set forth in
19 subsection (5) and instructing the eligible claimant of its
20 potential responsibility under subsection (5)(e). An eligible
21 claimant shall submit payment in full by October 15 of the
22 assessment year along with a penalty of 1% per week on the unpaid
23 balance for each week payment is not made in full up to a maximum
24 of 5% of the total amount due and unpaid. For the eligible
25 claimant's first assessment year, the penalty shall be waived if
26 the eligible claimant certifies the statement and makes full
27 payment of the assessment levied under section 5 by September 15.

1 An eligible claimant may amend a certified statement for the
2 current year up to September 15. Payments made due to an amended
3 statement are subject to the penalties as described in this
4 subsection. The department shall issue refunds for overpayments due
5 to an amended statement. All refunds due to overpayment shall be
6 remitted without interest except as provided by section 37 of the
7 tax tribunal act, 1973 PA 186, MCL 205.737.

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

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

22 (b) Upon request of the department, the state tax commission
23 shall issue an order to rescind no later than the first Monday in
24 December for the assessment year any exemption under section 9f of
25 the general property tax act, 1893 PA 206, MCL 211.9f, which
26 exemption was approved under section 9f of the general property tax
27 act, 1893 PA 206, MCL 211.9f, after 2013 for any parcel for which

1 payment in full ~~and any penalty due have~~ **HAS** not been received or
2 for which the state tax commission discovers that the property is
3 not eligible personal property.

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

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

20 (e) The eligible claimant shall file with the assessor of the
21 township or city within 30 days of the date of the rescission
22 issued under subdivisions (a) to (d) a statement under section 19
23 of the general property tax act, 1893 PA 206, MCL 211.19, for all
24 property for which the exemption has been rescinded under this
25 section.

26 (f) Within 60 days of a rescission under subdivisions (a) to
27 (d), the treasurer of the local tax collecting unit shall issue

1 amended tax bills for any taxes, including penalty and interest,
2 that were not billed under the general property tax act, 1893 PA
3 206, MCL 211.1 to 211.155, or under 1974 PA 198, MCL 207.551 to
4 207.572, and that are owed as a result of the rescission.

5 (6) An eligible claimant shall provide access to the books and
6 records, for audit purposes, relating to the location and
7 description; the date of purchase, lease, or acquisition; and the
8 purchase price, lease amount, or value of all personal property
9 owned by, leased by, or in the possession of that person or a
10 related entity if requested by the assessor of the township or
11 city, county equalization department, or department for the year in
12 which the statement is filed and the immediately preceding 3 years.
13 The department shall develop and implement an audit program which
14 includes, but is not limited to, the audit of statements submitted
15 under subsection (3) and amended statements submitted under
16 subsection (4) for the current calendar year and the 3 calendar
17 years immediately preceding the commencement of an audit. An
18 assessment as a result of an audit shall be paid in full within 35
19 days of issuance and shall include penalties and interest as
20 described in section 154(3) of the general property tax act, 1893
21 PA 206, MCL 211.154. Refunds as a result of an audit under this
22 subsection shall be without interest. The exemption for personal
23 property for which an assessment has been issued as a result of an
24 audit under this subsection shall be subject to the rescission
25 provisions of subsection (5) for the years of the assessment if
26 full payment is not timely made as required by this subsection.

27 (7) An eligible claimant may appeal an assessment levied under

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

10 (8) The department may require eligible claimants to annually
11 file by the dates required under the general property tax act, 1893
12 PA 206, MCL 211.1 to 211.155, a combined document that includes the
13 form to claim the exemption under sections 9f(9), 9m, and 9n of the
14 general property tax act, 1893 PA 206, MCL 211.9f, 211.9m, and
15 211.9n, and under section 11a of 1974 PA 198, MCL 207.561a, a
16 report of the fair market value and year of acquisition by the
17 first owner of eligible personal property, and for any year before
18 2023, a statement under section 19 of the general property tax act,
19 1893 PA 206, MCL 211.19. All of the following apply to the filing
20 of a combined document under this subsection:

21 (a) The combined document shall be in a form prescribed by the
22 department.

23 (b) As provided in sections 9m and 9n of the general property
24 tax act, 1893 PA 206, MCL 211.9m and 211.9n, leasing companies are
25 not eligible to receive the exemption for qualified new personal
26 property and qualified previously existing personal property and
27 may not use the combined document prescribed in this section. With

1 respect to personal property that is the subject of a lease
2 agreement, regardless of whether the agreement constitutes a lease
3 for financial or tax purposes, all of the following apply:

4 (i) If the personal property is eligible manufacturing
5 personal property, the lessee and lessor may elect that the lessee
6 report the leased personal property on the combined document.

7 (ii) An election made by the lessor and the lessee under this
8 subdivision shall be made in a form and manner approved by the
9 department.

10 (iii) Absent an election, the personal property shall be
11 reported by the lessor on the personal property statement unless
12 the exemption for eligible manufacturing personal property is
13 claimed by the lessee on the combined document.

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

20 (d) The combined document shall be filed with the assessor of
21 the township or city in which the eligible personal property is
22 located.

23 (e) The assessor shall transmit the information contained in
24 the combined document filed under this subsection, and other parcel
25 information required by the department, to the department in the
26 form and in the manner prescribed by the department no later than
27 April 1.

1 Enacting section 1. This amendatory act does not take effect
2 unless Senate Bill No. ____ or House Bill No. 6054 (request no.
3 05166'17) of the 99th Legislature is enacted into law.