

# HOUSE BILL No. 6025

June 16, 2004, Introduced by Rep. Milosch and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
(MCL 211.1 to 211.157) by adding section 7hh.

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

1       Sec. 7hh. (1) For taxes levied after December 31, 2004,  
2 except as otherwise provided in subsection (3), upon application  
3 for an exemption under this section by a qualified start-up  
4 business, the governing body of a local tax collecting unit may  
5 adopt a resolution to exempt from the collection of taxes under  
6 this act all real and personal property of that qualified  
7 start-up business used by that qualified business in conducting  
8 the business activities of that qualified start-up business. The  
9 clerk of the local tax collecting unit shall notify in writing  
10 the assessor of the local tax collecting unit and the legislative  
11 body of each taxing unit that levies ad valorem property taxes in

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1 the local tax collecting unit. Before acting on the resolution,  
2 the governing body of the local tax collecting unit shall afford  
3 the assessor and a representative of the affected taxing units an  
4 opportunity for a hearing. A copy of the resolution shall be  
5 filed with the state tax commission. The application for  
6 exemption under this section shall be in a form prescribed by the  
7 state tax commission.

8 (2) If a resolution authorizing the exemption is adopted as  
9 provided in subsection (1), the exemption is effective for 5  
10 consecutive years beginning on the December 31 in the year in  
11 which the qualified start-up business first claimed the credit  
12 under section 31a of the single business tax act, 1975 PA 228,  
13 MCL 208.31a, or section 51f of the income tax act of 1967, 1967  
14 PA 281, MCL 206.51f, or the year in which the resolution is  
15 adopted under subsection (1), whichever is later.

16 (3) Real and personal property of a qualified start-up  
17 business is not exempt from collection of the following:

18 (a) A special assessment levied by the local tax collecting  
19 unit in which the property is located.

20 (b) Ad valorem property taxes specifically levied for the  
21 payment of principal and interest of obligations approved by the  
22 electors or obligations pledging the unlimited taxing power of  
23 the local governmental unit.

24 (c) A tax levied under section 705 or 1212 of the revised  
25 school code, 1976 PA 451, MCL 380.705 and 380.1212.

26 (4) A qualified start-up business may claim the exemption  
27 under subsection (1) by filing an affidavit claiming the

1 exemption with the assessor of the local tax collecting unit.

2 The affidavit shall be in a form prescribed by the state tax

3 commission.

4 (5) As used in this section, "qualified start-up business"

5 means that term as defined in section 31a of the single business

6 tax act, 1975 PA 228, MCL 208.31a.