

HOUSE BILL NO. 4084

February 14, 2023, Introduced by Rep. Shannon and referred to the Committee on Tax Policy.

A bill to amend 2014 PA 92, entitled
"State essential services assessment act,"
(MCL 211.1051 to 211.1061) by adding section 7a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7a. (1) For the 2021 tax year only, if, due to the COVID-
2 19 pandemic, a combined document as required in section 9m(2) or
3 9n(2) of the general property tax act, 1893 PA 206, MCL 211.9m and
4 211.9n, was not properly filed to claim an exemption for personal
5 property that would have qualified for that exemption in the 2021
6 tax year from the collection of property taxes under the general

1 property tax act, 1893 PA 206, MCL 211.1 to 211.155, the owner of
2 that personal property may obtain from the state tax commission an
3 order granting the exemption retroactively and establishing an
4 assessment on that personal property under this act, subject to all
5 of the following:

6 (a) Not later than 30 days after the effective date of the
7 amendatory act that added this section, the property owner must
8 submit to the state tax commission a combined document applicable
9 to that personal property for the 2021 tax year, as required in
10 section 9m(2) or 9n(2) of the general property tax act, 1893 PA
11 206, MCL 211.9m and 211.9n, and an application in a form and manner
12 prescribed by the state tax commission.

13 (b) If the state tax commission approves the application, it
14 shall issue an order that does all of the following:

15 (i) Grants the exemption under section 9m or 9n of the general
16 property tax act, 1893 PA 206, MCL 211.9m and 211.9n, for the 2021
17 tax year only.

18 (ii) Establishes the 2021 assessment under this act for the
19 property and sets the due date for the payment of that assessment
20 45 days after the date of issuance of the order.

21 (iii) Provides that if the 2021 assessment under this act
22 established by the order is not paid as directed by the order, the
23 exemption of the property under section 9m or 9n of the general
24 property tax act, 1893 PA 206, MCL 211.9m and 211.9n, is rescinded.

25 (iv) Either or both of the following, as applicable:

26 (A) If the property owner has paid some or all of the 2021
27 property taxes, orders that the property owner be paid a refund
28 under subsection (6) (a) in an amount equal to the amount of the
29 2021 property taxes paid by the property owner, including any

1 penalties or interest paid on those taxes, and sets the due date
2 for the refund 30 days after the date of issuance of the order.

3 (B) To the extent the 2021 property taxes are unpaid, orders
4 the cancellation of those unpaid property taxes, including any
5 unpaid penalties or interest on those taxes, and establishes the
6 amount of a distribution to be paid to the local tax collecting
7 unit under subsection (6) (b) equal to the amount of the unpaid
8 property taxes, not including any unpaid penalties or interest on
9 those taxes.

10 (c) If the state tax commission denies the application, it
11 shall issue a written notice to the local tax collecting unit and
12 the owner of the personal property explaining the reason for the
13 denial and advising the owner that the denial may be appealed to
14 tax tribunal within 35 days after the date of the notice.

15 (2) The late-qualifying eligible manufacturing personal
16 property tax reimbursement fund is created in the state treasury.

17 (3) The state treasurer shall deposit money and assets
18 received from any source in the fund. The state treasurer shall
19 direct the investment of money in the fund and credit interest and
20 earnings from the investments to the fund.

21 (4) Money in the fund at the close of the fiscal year remains
22 in the fund and does not lapse to the general fund unless all of
23 the expenditures that will be made under subsection (6) have been
24 made.

25 (5) The department is the administrator of the fund for audits
26 of the fund.

27 (6) The department shall expend money from the fund, upon
28 appropriation and receipt of an order from the state tax commission
29 under subsection (1) (b), only for the following purposes:

1 (a) Distribution to local tax collecting units pursuant to
2 subsection (1) (b) (iv) (A), for the purpose of making refunds
3 described in subsection (1) (b) (iv) (A).

4 (b) Distribution to local tax collecting units pursuant to
5 subsection (1) (b) (iv) (B), for the purpose of redistribution of
6 unpaid 2021 property taxes, as described in subsection
7 (1) (b) (iv) (B), to taxing units that levied those taxes.

8 (7) As used in this section:

9 (a) "Fund" means the late-qualifying eligible manufacturing
10 personal property tax reimbursement fund created in subsection (2).

11 (b) "Late-qualifying eligible manufacturing personal property"
12 means property for which an exemption from the collection of
13 property taxes under section 9m or 9n of the general property tax
14 act, 1893 PA 206, MCL 211.9m and 211.9n, was granted under
15 subsection (1).

16 (c) "Local tax collecting unit" means the township or city
17 whose assessor would have received a combined document claiming the
18 exemption of late-qualifying eligible manufacturing personal
19 property for the 2021 tax year if a claim of exemption had been
20 properly filed for the 2021 tax year under section 9m or 9n of the
21 general property tax act, 1893 PA 206, MCL 211.9m and 211.9n.