

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.9o Eligible personal property; exemption; statement; books and records; audit program; filing rescission and statement if property no longer eligible; denial of claim for exemption; fraudulent claim; penalties; definitions.

Sec. 9o.

(1) Beginning December 31, 2013, eligible personal property for which an exemption has been properly claimed under this section is exempt from the collection of taxes under this act.

(2) An owner of eligible personal property shall claim the exemption under this section in 1 of the following ways, as applicable:

(a) For a claim of exemption as to eligible personal property under subsection (9)(c)(ii)(A), by filing a statement with the local tax collecting unit in which the eligible personal property is located not later than February 20 of the first year the exemption is claimed or, if February 20 of the first year the exemption is claimed is a Saturday, Sunday, or legal holiday, not later than the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a statement delivered by the United States Postal Service, the filing is timely if the postmark date is on or before the filing deadline prescribed in this subdivision. If the statement is not timely filed with the local tax collecting unit, a late submission may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this subdivision. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice. A statement filed under this subdivision must be in a form prescribed by the state tax commission and must include any address where any property owned by, leased to, or in the possession of that owner or a related entity is located within that local tax collecting unit. In the statement, the owner shall attest that the combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of that owner or a related entity on December 31 of the immediately preceding year is less than \$80,000.00. An exemption granted pursuant to a claim filed under this subdivision remains in effect if the property's owner subsequently files a claim for exemption under subdivision (b) and 1 of the following conditions is met:

(i) It is determined that the property does not qualify for the exemption under this section as eligible personal property under subsection (9)(c)(ii)(B) but instead continues to qualify for the exemption under this section as eligible personal property under subsection (9)(c)(ii)(A).

(ii) After having been granted exempt status as eligible personal property under subsection (9)(c)(ii)(B), it is determined that the property's exempt status has returned to eligible personal property under subsection (9)(c)(ii)(A).

(b) For a claim of exemption as to eligible personal property under subsection (9)(c)(ii)(B), by annually filing a statement of personal property under section 19 with the local tax collecting unit in which the eligible personal property is located. Together with the statement of personal property, the owner shall also file a statement, in a form and manner prescribed by the department of treasury, attesting to the combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of that owner or a related entity on December 31 of the immediately preceding year, and that this combined true cash value is equal to or greater than \$80,000.00 and less than \$180,000.00. Not later than April 1 of each year, local tax collecting units shall transmit to the department of treasury, in a form and manner prescribed by the department of treasury, summary information of all exemptions granted each year pursuant to filings made under this subdivision for purposes of providing the department of treasury with data needed to compensate municipalities for revenue lost as a result of those exemptions, as described in section 3a of the Michigan trust fund act, 2000 PA 489, MCL 12.253a. A claim of exemption filed under this subdivision must be treated as a claim of exemption filed under subdivision (a) if it is determined that the property for which the exemption is claimed qualifies for the exemption under this section as eligible personal property under subsection (9)(c)(ii)(A).

(3) If a statement claiming the exemption under subsection (2)(a) is filed as provided in subsection (2)(a), the owner of that eligible personal property is not required to file a statement under section 19.

(4) A person who claims an exemption for eligible personal property under this section shall maintain books and records and shall provide access to those books and records as provided in section 22. A local unit of government may develop and implement an audit program that includes, but is not limited to, the audit of all information submitted under subsection (2) for the current calendar year and the 3 calendar years immediately preceding the commencement of an audit. Any assessment as a result of an audit must be paid in full within 35 days of issuance and must include interest as described in subsection (5).

(5) All of the following apply to an exemption granted under this section pursuant to a claim of exemption filed

under subsection (2)(a):

(a) Except as otherwise provided in subsection (2)(a), the exemption remains in effect until the personal property is no longer eligible personal property under subsection (9)(c)(ii)(A). An owner whose personal property is no longer eligible personal property under this subdivision shall do 1 of the following, as applicable:

(i) If the owner intends to claim that the property is eligible personal property under subsection (9)(c)(ii)(B), file for the exemption under subsection (2)(b).

(ii) If the owner does not intend to claim that the property is eligible personal property under subsection (9)(c)(ii)(B), file by February 20 of the year that the property is no longer eligible a rescission and the statement required under section 19. The rescission must be filed on a form prescribed by the department of treasury. Upon receipt of a rescission form, the local assessor shall immediately remove the exemption.

(b) An owner who fails to file a rescission and whose property is later determined to be ineligible for the exemption will be subject to repayment of any additional taxes with interest as described in this subdivision. Upon discovery that the property is no longer eligible personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall within 30 days of the date of the discovery issue a corrected tax bill for any additional taxes with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

(6) If the assessor of the local tax collecting unit believes that personal property for which a statement claiming an exemption is timely and properly filed under subsection (2) is not eligible personal property, the assessor may deny that claim for exemption by notifying the person that filed the statement in writing of the reason for the denial and advising the person that the denial may be appealed to the board of review under section 30 during that tax year.

(7) The assessor may deny a claim for exemption granted under this section pursuant to a claim of exemption filed under subsection (2)(a) or (b) for the current year and for the 3 immediately preceding calendar years. If the assessor denies a claim for exemption under this subsection, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

(8) If a person fraudulently claims an exemption for personal property under this section, that person is subject to the penalties provided for in section 21(2).

(9) As used in this section:

(a) "Commercial personal property" means personal property that is classified as commercial personal property under section 34c or would be classified as commercial personal property under section 34c if not exempt from the collection of taxes under this act under this section or section 9m or 9n.

(b) "Control", "controlled by", and "under common control with" mean the possession of the power to direct or cause the direction of the management and policies of a related entity, directly or indirectly, whether derived from a management position, official office, or corporate office held by an individual; by an ownership interest, beneficial interest, or equitable interest; or by contractual agreement or other similar arrangement. There is a rebuttable presumption that control exists if any person, directly or indirectly, owns, controls, or holds the power to vote, directly or by proxy, 10% or more of the ownership interest of any other person or has contributed more than 10% of the capital of the other person. Indirect ownership includes ownership through attribution or through 1 or more intermediary entities.

(c) "Eligible personal property" means property that meets all of the following conditions:

(i) Is industrial personal property or commercial personal property.

(ii) The combined true cash value of all industrial personal property and commercial personal property in that

local tax collecting unit owned by, leased to, or in the possession of the person claiming an exemption under this section or a related entity on December 31 of the immediately preceding year is 1 of the following:

(A) Less than \$80,000.00.

(B) Equal to or greater than \$80,000.00 and less than \$180,000.00.

(iii) Is not leased to or used by a person that previously owned the property or a person that, directly or indirectly, controls, is controlled by, or is under common control with the person that previously owned the property.

(d) "Industrial personal property" means personal property that is classified as industrial personal property under section 34c or would be classified as industrial personal property under section 34c if not exempt from the collection of taxes under this act under this section or section 9m or 9n.

(e) "Person" means an individual, partnership, corporation, association, limited liability company, or any other legal entity.

(f) "Related entity" means a person that, directly or indirectly, controls, is controlled by, or is under common control with the person claiming an exemption under this section.

History: Add. 2012, Act 402, Eff. Mar. 28, 2013 ;-- Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013 ;-- Am. 2017, Act 261, Eff. Dec. 31, 2017 ;-- Am. 2018, Act 132, Imd. Eff. May 3, 2018 ;-- Am. 2021, Act 150, Eff. Dec. 31, 2022 ;-- Am. 2023, Act 176, Eff. Dec. 31, 2023

Compiler's Notes: Enacting section 1 of Act 402 of 2012 provides: "Enacting section 1. Section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, as added by this amendatory act, is repealed if House Bill No. 6026 of the 96th Legislature is not approved by a majority of the qualified electors of this state voting on the question at an election to be held on the August regular election date in 2014." Enacting section 1 of Act 90 of 2014 provides: "Enacting section 1. Section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, as added by this amendatory act, is repealed if either House Bill No. 6026 of the 96th Legislature, 2012 PA 408, or Senate Bill No. 822 of the 97th Legislature is presented to the qualified electors of this state at an election to be held on the August regular election date in 2014 and the bill presented is not approved by a majority of the qualified electors of this state voting on the question."

Compiler's Notes: Pursuant to section 34 of article IV of the state constitution of 1963, a legislative referendum on Act 80 of 2014 was presented to the electors as Proposal 14-1 at the August 5, 2014 primary election. The proposal read as follows: "APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS The amendatory act adopted by the Legislature would: 1. Reduce the state use tax and replace with a local community stabilization share of the tax for the purpose of modernizing the tax system to help small businesses grow and create jobs in Michigan. 2. Require Local Community Stabilization Authority to provide revenue to local governments dedicated for local purposes, including police safety, fire protection, and ambulance emergency services. 3. Increase portion of state use tax dedicated for aid to local school districts. 4. Prohibit Authority from increasing taxes. 5. Prohibit total use tax rate from exceeding existing constitutional 6% limitation. Should this law be approved? YES [] NO []". Act 80 of 2014 was approved by a majority of the voters at the August 5, 2014 primary election. The election results were certified by the Michigan Board of State Canvassers on August 22, 2014.

Popular Name: Act 206