

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

211.9p Qualified heavy equipment rental personal property; exemption; annual filing of statement; requirements; denial of claim; books and records; fraudulent claim; definitions.

Sec. 9p.

(1) Beginning December 31, 2022 and each year thereafter, qualified heavy equipment rental personal property for which an exemption has been properly claimed under subsection (2) is exempt from the collection of taxes under this act.

(2) A qualified renter shall claim the exemption under this section annually by filing each year with the local assessing unit in which is located the qualified renter business location a statement that includes the form to claim the exemption under this section and a statement of all qualified heavy equipment rental personal property located at and rented from the qualified renter business location. Qualified heavy equipment rental personal property rented from the qualified renter business location is not assessable at its location on tax day. The exemption claimed under this section applies to all qualified heavy equipment rental personal property located at and rented from a qualified renter business location. All of the following apply to a claim of the exemption under this section:

(a) The statement must be filed in a form and manner prescribed by the department of treasury.

(b) The statement must list the addresses of the qualified renter and must identify each item of qualified heavy equipment rental personal property located at and rented from the qualified renter business location.

(c) The statement filed for 2023, or filed for 2024 by a qualified renter that did not claim an exemption under this section for 2023, must include the amount of ad valorem property tax levied in this state in 2020, 2021, and 2022 on qualified heavy equipment rental personal property owned by the qualified renter and, for the qualified heavy equipment rental personal property either for which ad valorem property tax was paid for 2020, 2021, or 2022 or that was acquired or brought into this state during 2020, 2021, or 2022 by a qualified renter and rented from a qualified renter business location, the qualified renter's liability under the tax levied under the qualified heavy equipment rental personal property specific tax act for 2020, 2021, and 2022 if that tax had been in effect for those years. A qualified renter shall provide documentation of both amounts as required by the department of treasury. The department of treasury may audit the documentation submitted.

(d) All information regarding the claim for the exemption must be considered taxpayer confidential information whether in the possession of the department of treasury or the local assessing unit and is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. This subdivision does not prohibit the department of treasury from sharing, as needed, information regarding a claim for the exemption under this section with local assessors.

(e) By not later than February 20, the statement prescribed in this section must be completed and delivered to the assessor of the township or city in which is located the qualified renter business location. However, if February 20 of a year is a Saturday, Sunday, or legal holiday, the delivery deadline for that year is 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 delivery is timely if the postmark date is on or before the delivery deadline prescribed in this subdivision. If the statement prescribed in this section is not timely delivered to the appropriate assessor, a late application may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this section. 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.

(f) By not later than April 1, the assessor shall transmit to the department of treasury the information contained in the statement filed under this section and other parcel information required by the department of treasury in the form and manner prescribed by the department of treasury.

(g) An exemption under this section applies only to the tax year in which the statement is filed. There is no requirement for the owner to file any subsequent notice or rescission for qualified heavy equipment rental personal property no longer in this state or at the qualified rental business location to the assessor or department of treasury. Qualified heavy equipment rental personal property listed as exempt on an assessment roll for a given tax year must not automatically be listed as exempt on the assessment roll for the next tax year.

(3) Qualified heavy equipment rental personal property is exempt under this section from the collection of taxes under this act only if the qualified heavy equipment rental personal property is located in this state on tax day and 1 of the following conditions is satisfied:

(a) The qualified heavy equipment rental personal property is permanently labeled with the name of the qualified renter and the qualified rental business location. This labeling requirement does not apply to attachments or ancillary equipment otherwise labeled in a way that identifies its owner, including, but not limited to, attachments or ancillary equipment labeled with a unique identification number.

(b) The qualified heavy equipment rental personal property is permanently labeled with the name and phone number of the qualified renter, and the qualified renter's annual claim of exemption filed under subsection (2) identifies the physical location of the qualified heavy equipment rental personal property on tax day. The labeling requirement provided for in this subdivision does not apply to attachments or ancillary equipment otherwise labeled in a way that identifies its owner, including, but not limited to, attachments or ancillary equipment labeled with a unique identification number.

(4) If the assessor of the township or city believes that personal property for which the form claiming an exemption is timely filed under subsection (2)(e) is not qualified heavy equipment rental personal property or the form filed was incomplete, the assessor may deny that claim for exemption by notifying the person that filed the form in writing of the reason for the denial and advising the person that the denial must be appealed to the board of review under section 30 by filing a statement as prescribed under subsection (2). If the denial is issued after the first meeting of the March board of review that follows the organizational meeting, the appeal of the denial is either to the March board of review or the Michigan tax tribunal by filing a petition and a statement as prescribed under subsection (2) within 35 days of the denial notice. If the assessor denies a claim for exemption, the assessor shall remove the exemption of that personal property and 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.

(5) A person claiming an exemption for qualified heavy equipment rental personal property exempt under this section shall maintain books and records and shall provide access to those books and records as provided in section 22.

(6) 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).

(7) All qualified heavy equipment rental personal property located at a qualified renter business location that has claimed an exemption in any given year under this section is not eligible to be exempt from the collection of taxes under this act under section 9m, 9n, or 9o.

(8) As used in this section:

(a) "Affiliate" means a person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person.

(b) "Attachments or ancillary equipment" means items that can be attached to, or used in conjunction with, heavy equipment, including, but not limited to, fittings, hoses, cabling, ducts, wiring, chains, hoists, portable power or air equipment, monitoring equipment, fluid containers, buckets, demolition hammers, grapple forks, trenchers, planers, and augers.

(c) "Control" means direct or indirect possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(d) "Own" or "ownership" means to have ownership of an equity interest, or the equivalent, of 10% or more in a person.

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

(f) "Qualified heavy equipment rental personal property" means any construction, earthmoving, or industrial equipment that is mobile and rented to customers by a qualified renter, including attachments or other ancillary equipment for that equipment. Qualified heavy equipment rental personal property does not include handheld tools or equipment solely designed for industry-specific uses in oil and gas exploration, mining, or forestry. For purposes of this subdivision, equipment is mobile if it is not intended to be permanently affixed to real property for its intended use and can be moved among worksites. Qualified heavy equipment rental personal property includes, but is not limited to, any of the following:

(i) A self-propelled vehicle that is not designed to be driven on the highway.

(ii) Industrial electrical generation equipment.

(iii) Industrial lift equipment.

(iv) Industrial material handling equipment.

(v) Industrial portable heating, ventilation, and air conditioning equipment.

(vi) Industrial compressors, generators, or pumps.

(vii) Equipment used in shoring, shielding, and ground trenching.

(viii) Equipment or vehicles not subject to titling under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(ix) Portable containers or office trailers.

(x) Equipment used to support a construction or industrial jobsite.

(g) "Qualified renter" means a person that meets all of the following:

(i) Is engaged in a line of business described in Code 532412 or 532310 of the North American Industry Classification System published by the United States Census Bureau, 2017 edition.

(ii) Maintains in this state a qualified renter business location.

(iii) Receives more than 50% of its annual gross receipts from the rental of qualified heavy equipment rental personal property to the public or has an affiliate that receives more than 50% of the affiliate's annual gross receipts

from the rental of qualified heavy equipment rental personal property to the public.

(h) "Qualified renter business location" means the location within a local assessing unit where qualified heavy equipment rental personal property for which an exemption is claimed under this section is kept when it is not rented to a customer.

(i) "Rent" or "rental" means entering into an agreement for the use of property in exchange for consideration for a term of less than 365 consecutive days, or under an open-ended contract.

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