

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6054**

A bill to amend 2014 PA 93, entitled
"Alternative state essential services assessment act,"
by amending section 7 (MCL 211.1077), as amended by 2017 PA 263.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) The department shall collect and administer the
2 alternative state essential services assessment as provided in this
3 section.

4 (2) Not later than May 1 in each assessment year, the
5 department shall make available in electronic form to each eligible
6 claimant a statement for calculation of the assessment as provided
7 in section 5. That statement shall be developed from the
8 information submitted by the eligible claimant on the combined
9 document as required by sections 9m and 9n of the general property

1 tax act, 1893 PA 206, MCL 211.9m and 211.9n.

2 (3) Not later than August 15 in each assessment year, each
3 eligible claimant shall electronically revise as necessary and
4 certify the completed statement and make full payment of the
5 assessment levied under section 5 for that assessment year as
6 calculated in section 5(2). The department may waive or delay the
7 electronic certification requirement at its discretion. The
8 department may accept a timely filed statement that calculates the
9 tax under this act that is transmitted and certified using
10 reporting software approved by the department, subject to audit
11 under subsection (6). A statement certified by an eligible claimant
12 shall include all of the eligible claimant's eligible personal
13 property located in this state subject to the assessment levied
14 under section 5. The statement required under this subsection shall
15 not be subject to disclosure under the freedom of information act,
16 1976 PA 442, MCL 15.231 to 15.246.

17 (4) If an eligible claimant does not certify the statement and
18 full payment of the assessment levied under section 5 by August 15,
19 the department shall issue a notice to the eligible claimant not
20 later than September 15. The notice shall include a statement
21 explaining the consequences of nonpayment as set forth in
22 subsection (5) and instructing the eligible claimant of its
23 potential responsibility under subsection (5)(e). An eligible
24 claimant shall submit payment in full by ~~October~~**APRIL** 15 of the
25 **YEAR FOLLOWING THE** assessment year along with a penalty of ~~1% per~~
26 ~~week~~**3% PER MONTH** on the unpaid balance for each ~~week~~**MONTH** payment
27 is not made in full up to a maximum of ~~5%~~**27%** of the total amount

1 due and unpaid. **IN CALCULATING THE PENALTY, A PARTIAL MONTH IS**
2 **CONSIDERED A WHOLE MONTH AND THE PENALTY SHALL NOT BE PRORATED**
3 **BASED ON THE DAY OF THE MONTH THE LATE PAYMENT IS RECEIVED.** For the
4 eligible claimant's first assessment year, the penalty shall be
5 waived if the eligible claimant certifies the statement and makes
6 full payment of the assessment levied under section 5 by September
7 15. An eligible claimant may amend a certified statement for the
8 current year up to September 15. Payments made due to an amended
9 statement are subject to the penalties as described in this
10 subsection. The department shall issue refunds for overpayments due
11 to an amended statement. All refunds due to overpayment shall be
12 remitted without interest except as provided by section 37 of the
13 tax tribunal act, 1973 PA 186, MCL 205.737.

14 (5) For any assessment year in which an eligible claimant does
15 not submit payment in full and any penalty due under subsection (4)
16 or (6) by ~~October 15,~~ **APRIL 15 OF THE YEAR FOLLOWING THE ASSESSMENT**
17 **YEAR,** or if the department discovers that the property is not
18 eligible under section 9m or 9n of the general property tax act,
19 1893 PA 206, MCL 211.9m and 211.9n, all of the following shall
20 apply:

21 (a) The department shall issue an order to rescind no later
22 than the first Monday in ~~December~~ **JUNE** for the **IMMEDIATELY**
23 **PRECEDING** assessment year any exemption described in section 9m or
24 9n of the general property tax act, 1893 PA 206, MCL 211.9m and
25 211.9n, granted for any parcel for which payment in full and any
26 penalty due have not been received or for which the department
27 discovers that the property is not eligible under section 9m or 9n

1 of the general property tax act, 1893 PA 206, MCL 211.9m and
2 211.9n.

3 (b) Upon the request of the department, the state tax
4 commission shall issue an order to rescind no later than the first
5 Monday in ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment
6 year any exemption under section 9f of the general property tax
7 act, 1893 PA 206, MCL 211.9f, which exemption was approved under
8 section 9f of the general property tax act, 1893 PA 206, MCL
9 211.9f, after 2013 for any parcel for which payment in full and any
10 penalty due have not been received or for which the state tax
11 commission discovers that the property is not eligible personal
12 property.

13 (c) Upon the request of the department, the state tax
14 commission shall issue an order to rescind no later than the first
15 Monday in ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment
16 year any exemption for eligible personal property subject to an
17 extended industrial facilities exemption certificate under section
18 11a of 1974 PA 198, MCL 207.561a, for any parcel for which payment
19 in full and any penalty due have not been received or for which the
20 department discovers that the property is not eligible personal
21 property.

22 (d) Upon the request of the department, the state tax
23 commission shall issue an order to rescind no later than the first
24 Monday in ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment
25 year any extended exemption for eligible personal property under
26 section 9f(8)(a) of the general property tax act, 1893 PA 206, MCL
27 211.9f, for any parcel for which payment in full and any penalty

1 due have not been received or for which the department discovers
2 that the property is not eligible personal property.

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

9 (f) Within 60 days of a rescission under subdivisions (a) to
10 (d), the treasurer of the local tax collecting unit shall issue
11 amended tax bills for any taxes, including penalty and interest,
12 that were not billed under the general property tax act, 1893 PA
13 206, MCL 211.1 to 211.155, or under 1974 PA 198, MCL 207.551 to
14 207.572, and that are owed as a result of the rescission.

15 (6) An eligible claimant shall provide access to the books and
16 records, for audit purposes, relating to the location and
17 description; the date of purchase, lease, or acquisition; and the
18 purchase price, lease amount, or value of all personal property
19 owned by, leased by, or in the possession of that person or a
20 related entity if requested by the assessor of the township or
21 city, county equalization department, or department for the year in
22 which the statement is filed and the immediately preceding 3 years.
23 The department shall develop and implement an audit program which
24 includes, but is not limited to, the audit of statements submitted
25 under subsection (3) and amended statements submitted under
26 subsection (4) for the current calendar year and the 3 calendar
27 years immediately preceding the commencement of an audit. An

1 assessment as a result of an audit shall be paid in full within 35
2 days of issuance and shall include penalties and interest as
3 described in section 154(3) of the general property tax act, 1893
4 PA 206, MCL 211.154. Refunds as a result of an audit under this
5 subsection shall be without interest. The exemption for personal
6 property for which an assessment has been issued as a result of an
7 audit under this subsection shall be subject to the rescission
8 provisions of subsection (5) for the years of the assessment if
9 full payment is not timely made as required by this subsection.

10 (7) An eligible claimant may appeal an assessment levied under
11 section 5 or a penalty or rescission under this section to the
12 Michigan tax tribunal by filing a petition not later than December
13 31 in that tax year. An eligible claimant may appeal an assessment
14 issued, including penalties, interest, or rescission, as a result
15 of an audit conducted under subsection (6) by filing a petition
16 with the Michigan tax tribunal within 35 days of the date of that
17 assessment's issuance. The department may appeal to the Michigan
18 tax tribunal by filing a petition for the current calendar year and
19 3 immediately preceding calendar years.

20 (8) The department may require eligible claimants to annually
21 file by the dates required under the general property tax act, 1893
22 PA 206, MCL 211.1 to 211.55, a combined document that includes the
23 form to claim the exemption under sections 9f(9), 9m, and 9n of the
24 general property tax act, 1893 PA 206, MCL 211.9f, 211.9m, and
25 211.9n, and under section 11a of 1974 PA 198, MCL 207.561a, a
26 report of the fair market value and year of acquisition by the
27 first owner of eligible personal property, and for any year before

1 2023, a statement under section 19 of the general property tax act,
2 1893 PA 206, MCL 211.19. All of the following apply to the filing
3 of a combined document under this subsection:

4 (a) The combined document shall be in a form prescribed by the
5 department.

6 (b) As provided in sections 9m and 9n of the general property
7 tax act, 1893 PA 206, MCL 211.9m and 211.9n, leasing companies are
8 not eligible to receive the exemption for qualified new personal
9 property and qualified previously existing personal property and
10 may not use the combined document prescribed in this section. With
11 respect to personal property that is the subject of a lease
12 agreement, regardless of whether the agreement constitutes a lease
13 for financial or tax purposes, all of the following apply:

14 (i) If the personal property is eligible manufacturing
15 personal property, the lessee and lessor may elect that the lessee
16 report the leased personal property on the combined document.

17 (ii) An election made by the lessor and the lessee under this
18 subdivision shall be made in a form and manner approved by the
19 department.

20 (iii) Absent an election, the personal property shall be
21 reported by the lessor on the personal property statement unless
22 the exemption for eligible manufacturing personal property is
23 claimed by the lessee on the combined document.

24 (c) For eligible personal property exempt under the Michigan
25 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, an
26 eligible claimant shall report the fair market value of that
27 personal property at the time of acquisition by the first owner,

1 including the cost of freight, sales tax, installation, and other
2 capitalized costs, except capitalized interest.

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

6 (e) The assessor shall transmit the information contained in
7 the combined document filed under this subsection, and other parcel
8 information required by the department, to the department in the
9 form and in the manner prescribed by the department no later than
10 April 1.

11 Enacting section 1. This amendatory act applies to taxes
12 levied after December 31, 2018.

13 Enacting section 2. This amendatory act does not take effect
14 unless House Bill No. 6053 of the 99th Legislature is enacted into
15 law.