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PETITION AMENDMENT WAIVER

House Bill 6101 (Substitute H-1)
First Analysis (12-3-96)

Sponsor: Rep. Charles Perricone
Committee: Tax Policy

THE APPARENT PROBLEM:

When a property taxpayer has a case before the Michigan Tax Tribunal, he or she must amend the petition to include any subsequent years for which a tax is paid or an alleged unlawful assessment is made against the property. This means, to cite an example provided by staff to the House Tax Policy Committee, that if a petitioner files an appeal with the tribunal in 1992 and the case is not decided until 1996, the years 1993-1996 are not automatically included in the case. Rather, the petitioner must amend the petition each year to include a subsequent year. This requirement does not apply, however, to cases before the residential property and small claims division of the tribunal. In those cases, the subsequent years are added automatically. This automatic addition of subsequent years has been proposed for another category of cases: those in which the petitioner is claiming an exemption from property taxes.

THE CONTENT OF THE BILL:

The bill would amend the Tax Tribunal Act to specify that a motion to amend a petition to add subsequent years would not be necessary for petitions filed after December 31, 1987, if the tribunal had jurisdiction over a petition alleging that the property was exempt from taxation. In such a case, the appeal for each subsequent year for which an assessment was established would be added automatically to the petition. However, upon leave of the tribunal, the petitioner or respondent could request that any subsequent year be excluded from appeal at the time of the hearing on the petition.

MCL 205.737

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that the impact of the bill is indeterminate. Taxpayers affected by the bill could receive refunds or payment reductions that they would be otherwise be ineligible for. The amount would depend upon decisions by the Tax Tribunal. (Fiscal Note dated 9-25-96)

ARGUMENTS:

For:

The bill would alleviate the need for a petitioner who is appearing before the Tax Tribunal to claim a property tax exemption (e.g., a religious, educational, or charitable organization) from filing a petition to add a subsequent year to the claim. Under the bill, the subsequent years will be added automatically unless one of the parties in the case requests otherwise. (The decision will rest with the tribunal.) As the law is now, a case filed in 1992 and decided in 1996 would not apply to the intervening years unless the claimant specifically petitioned to include them. Under this bill, this will no longer be necessary. The bill is retroactive and applies to cases filed with the tribunal in 1988 and thereafter. This means those organizations that neglected to file additional petitions in cases after 1987 will not be penalized.

POSITIONS:

The Michigan Municipal League supports the bill. (11-27-96)

The National Center for Manufacturing Sciences, Inc. indicated its support for the bill to the House Tax Policy Committee. (11-21-96)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

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