

# HOUSE BILL NO. 4338

March 23, 2023, Introduced by Reps. St. Germaine, Kunse, Hall, Roth, Schmaltz, Beson, Alexander, Bierlein, Meerman and Markkanen and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 90 (MCL 211.90), as amended by 2021 PA 150.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 90. (1) Beginning December 31, 2013, eligible personal  
2 property for which an exemption has been properly claimed under  
3 this section is exempt from the collection of taxes under this act.

4           (2) An owner of eligible personal property shall claim the  
5 exemption under this section by filing a statement with the local  
6 tax collecting unit in which the eligible personal property is

1 located not later than February 20 of the first year the exemption  
2 is claimed or, if February 20 of the first year the exemption is  
3 claimed is a Saturday, Sunday, or legal holiday, not later than the  
4 next day that is not a Saturday, Sunday, or legal holiday. For  
5 purposes of a statement delivered by the United States Postal  
6 Service, the filing is timely if the postmark date is on or before  
7 the filing deadline prescribed in this subsection. If the statement  
8 is not timely filed with the local tax collecting unit, a late  
9 submission may be filed directly with the March board of review  
10 before its final adjournment by submitting the statement prescribed  
11 in this subsection. The board of review shall not accept a filing  
12 after adjournment of its March meeting. An appeal of a denial by  
13 the March board of review may be made by filing a petition with the  
14 Michigan tax tribunal within 35 days of the denial notice. A  
15 statement filed under this subsection must be in a form prescribed  
16 by the state tax commission and must include any address where any  
17 property owned by, leased to, or in the possession of that owner or  
18 a related entity is located within that local tax collecting unit.  
19 In the statement, the owner shall attest that the combined true  
20 cash value of all industrial personal property and commercial  
21 personal property in that local tax collecting unit owned by,  
22 leased to, or in the possession of that owner or a related entity  
23 on December 31 of the immediately preceding year is less than  
24 ~~\$180,000.00.~~ **\$360,000.00.**

25 (3) If a statement claiming the exemption under this section  
26 is filed as provided in subsection (2), the owner of that eligible  
27 personal property is not required to file a statement under section  
28 19.

29 (4) A person who claims an exemption for eligible personal

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

10 (5) An exemption granted under this section remains in effect  
11 until the personal property is no longer eligible personal  
12 property. An owner whose personal property is no longer eligible  
13 personal property shall file by February 20 of the year that the  
14 property is no longer eligible a rescission and the statement  
15 required under section 19. The rescission must be filed on a form  
16 prescribed by the department of treasury. ~~Upon~~**On** receipt of a  
17 rescission form, the local assessor shall immediately remove the  
18 exemption. An owner who fails to file a rescission and whose  
19 property is later determined to be ineligible for the exemption  
20 will be subject to repayment of any additional taxes with interest  
21 as described in this subsection. ~~Upon~~**On** discovery that the  
22 property is no longer eligible personal property, the assessor  
23 shall remove the exemption of that personal property and, if the  
24 tax roll is in the local tax collecting unit's possession, amend  
25 the tax roll to reflect the removal of the exemption, and the local  
26 treasurer shall within 30 days of the date of the discovery issue a  
27 corrected tax bill for any additional taxes with interest at the  
28 rate of 1% per month or fraction of a month and penalties computed  
29 from the date the taxes were last payable without interest or

1 penalty. If the tax roll is in the county treasurer's possession,  
2 the tax roll must be amended to reflect the removal of the  
3 exemption and the county treasurer shall within 30 days of the date  
4 of the removal prepare and submit a supplemental tax bill for any  
5 additional taxes, together with interest at the rate of 1% per  
6 month or fraction of a month and penalties computed from the date  
7 the taxes were last payable without interest or penalty. Interest  
8 on any tax set forth in a corrected or supplemental tax bill again  
9 begins to accrue 60 days after the date the corrected or  
10 supplemental tax bill is issued at the rate of 1% per month or  
11 fraction of a month. Taxes levied in a corrected or supplemental  
12 tax bill must be returned as delinquent on the March 1 in the year  
13 immediately succeeding the year in which the corrected or  
14 supplemental tax bill is issued.

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

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

26 (8) As used in this section:

27 (a) "Commercial personal property" means personal property  
28 that is classified as commercial personal property under section  
29 34c or would be classified as commercial personal property under

1 section 34c if not exempt from the collection of taxes under this  
2 act under this section or section 9m or 9n.

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

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

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

20 (ii) The combined true cash value of all industrial personal  
21 property and commercial personal property in that local tax  
22 collecting unit owned by, leased to, or in the possession of the  
23 person claiming an exemption under this section or a related entity  
24 on December 31 of the immediately preceding year is less than  
25 ~~\$180,000.00.~~ **\$360,000.00.**

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

1 (d) "Industrial personal property" means personal property  
2 that is classified as industrial personal property under section  
3 34c or would be classified as industrial personal property under  
4 section 34c if not exempt from the collection of taxes under this  
5 act under this section or section 9m or 9n.

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

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

11 Enacting section 1. This amendatory act takes effect December  
12 31, 2023.