

PERSONAL PROPERTY TAXES – FAQ

WHAT IS PERSONAL PROPERTY?

Personal Property is the tangible (physical) assets of a business
Personal Property should not be confused with real property.

WHAT ARE SOME EXAMPLES OF PERSONAL PROPERTY?

Personal property consists of many assets. A few of those would be: furniture, fixtures, machinery, equipment, office equipment, computer equipment and signs. Contact the Assessor's Office if you have any questions whether an item qualifies as personal property.

WHERE AND HOW OFTEN DO I HAVE TO FILE A PERSONAL PROPERTY STATEMENT?

Personal Property statements are filed each year with the jurisdiction that the personal property was located in on December 31st. Personal Property is valued at market (true-cash) value and assessed at 50% thereof. Personal Property statements are mailed the first week of January and must be completed, signed and returned by February 20th. If a personal property statement is not returned by February 20th deadline, by law, the Assessor is required to estimate an assessed value. Failure to file a Personal Property tax return will result in forfeiture to appeal to the State Tax Commission, Board of Review or Tax Tribunal.

WHO SAYS I HAVE TO FILE A PERSONAL PROPERTY STATEMENT?

The Michigan Constitution (MCL 211.21) provides for assessment of all real and personal property not exempted by law. If a person, member of a firm or officer of a corporation willfully neglects or refuses to make out and deliver a statement required under MCL 211. 18 or falsely answers or refuses to answer questions concerning his or her property or property under his or her control as required by this act, that person is guilty of a misdemeanor, punishable by imprisonment in the county jail.

I LEASE SPACE MY BUSINESS OCCUPIES. DO I HAVE TO PAY A PERSONAL PROPERTY TAX?

Yes Personal Property is a tax on the physical (tangible) assets of the business, not the structure or building itself. Therefore, the owner of the business, not the owner of the building is assessed a personal property tax.

I OPERATE A BUSINESS OUT OF MY HOME. DO I HAVE TO PAY A PERSONAL PROPERTY TAX?

Yes, regardless of where the business is located, if a business is situated with Oakland County, it is subject to a personal property tax. However, if you are the sole proprietor of a business and live within the same Jurisdiction, you may qualify for a partial exemption of the personal property tax.

WHERE DOES THE TAX MONEY COLLECTED GO?

When you receive your personal property tax bill, it will have itemized amounts as to where the tax money is distributed. The tax rate used to calculate the amount of tax is the non-homestead tax rate.

WHAT IF I WANT TO APPEAL MY ASSESSED VALUE ON MY PERSONAL PROPERTY?

If you disagree with your assessment, please contact the Assessor's Office. If needed you may appeal to the Board of Review in March and further to the Michigan Tax Tribunal. However, in order to file to the Michigan Tax Tribunal, you must have filed your Personal Property tax statement and you must have appealed to the Board of Review.

WHAT ARE MY RESPONSIBILITIES AS A BUSINESS OWNER?

You must notify your Assessor's Office when your business moves into or out of a Jurisdiction. Also, if you anticipate purchasing a business, make sure that the seller has paid the personal property taxes. The tax bills may be in the name of the old business, but the tax lien on the personal property remains. Therefore, the personal property may be seized to pay delinquent personal property taxes even though you may be the new business owner. The lien follows the equipment no matter who the owner is.

WHAT HAPPENS IF MY BUSINESS MOVES OUT OF THE JURISDICTION DURING THE YEAR?

December 31st is the tax day in the State of Michigan. Unlike real property where taxes are prorated at the time of sale, a personal property tax is due for the entire year. For example, if your business moves out of the jurisdiction on any day during the calendar year following tax day (December 31st), you, as a business owner, are still liable for the personal property tax for the remainder of the calendar year.

Personal Property taxes would be due to the Jurisdiction your business re-locates to the following year. Your business cannot be taxed a personal property tax by two jurisdictions in the same year.

WHAT HAPPENS IF PERSONAL PROPERTY TAXES BECOME DELINQUENT?

The non-payment of personal property taxes could result in seizure of the personal property. If you have a dispute, pay the taxes and pursue action to show why reimbursement should be made. Once the opportunity to appeal with the Board of

Review has passed and a tax bill has been issued, the assessment and tax bill are both valid and the tax is not refundable. The Treasurer is authorized to seize and sell personal property of a business if personal property tax remains unpaid under MCL 211.47.

IS PERSONAL PROPERTY TAX A FILED LEIN?

Personal property tax is an automatic lien on the equipment when it because delinquent. The tax liens takes precedence over all other claims, encumbrances, and liens on personal property, whether created by chattel mortgage, title retaining contract, execution, any final process of the court, attachment, replevin, judgment or otherwise.

WHERE CAN I PURCHASE SEIZED EQUIPMENT?

The Oakland County Treasurer's office uses a website called "Bidcorp.com" We post all of our auctions on that site unless there is a business that has a lot of assets, then we will use an Auction Company.