

Assessor & Taxpayer Responsibilities

Assessor Responsibilities

- ✦ If a property owner files the small property holder affidavit in one tax year and does not file the affidavit in the following tax year, the assessor must remove the exemption
- ✦ If a property does not meet the requirements for exemption, the assessor must deny a claim for exemption and notify the taxpayer of the denial
- ✦ An assessor may deny a claim for exemption for the current year and for the three immediately preceding calendar years

Taxpayer Responsibilities

- ✦ Taxpayers are required to file the small property holder exemption by February 10 each year
- ✦ Late affidavits should not be accepted by the local unit in accordance with the State Tax Commission Bulletin 11 of 2013
- ✦ Taxpayers are required to maintain books and records for four years after filing the affidavit
Records shall include:
 - Date of purchase, lease or acquisition
 - Purchase price, lease amount or value
 - Description of property

Appeal Rights

- ✦ Owners who timely file the affidavit may appeal denial of the exemption to the March Board of Review
- ✦ Owners may appeal a denial in the case of a qualified error to the July and December Boards of Review
- ✦ Owners may not appeal a denial of exemption from the March Board of Review to the July or December Boards of Review
- ✦ Decisions from the local Board of Reviews may be appealed for the year in which the appeal was filed and for the three immediately preceding tax years to the Residential and Small Claims Division of the Michigan Tax Tribunal
- ✦ Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib

Note: Due to continual Legislative changes and updates, please refer to the Oakland County Equalization website for additional information.



Oakland County Equalization
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MICHIGAN PERSONAL PROPERTY TAX REFORM



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Small Taxpayer Personal Property Tax Exemption

In order to claim the exemption, the owner of the eligible personal property must annually file an affidavit with the Assessing Department not later than February 10 each tax year. Also to be eligible, a taxpayer must meet **ALL** of the following:

- The exemption must be properly claimed on Form 5076

AND

- The personal property must be classified as industrial or commercial personal property as defined in MCL 211.34c or would be classified as such if not exempt

AND

- The combined true cash value of all industrial or commercial personal property owned by, leased by or in the possession of the owner or a related entity claiming the exemption is less than \$80,000 in the local tax collecting unit

AND

- The property is not leased to or used by a person that previously owned the property or a person that, directly or indirectly controls, is controlled by, or under common control with the person that previously owned the property

Personal Property Tax Reform

Over the past two years the state Legislature and governor successfully enacted Personal Property Tax reforms aimed at improving Michigan's business environment, competitiveness and conditions for job growth and investment. The Personal Property Tax reform began in 2014 with the Small Taxpayer Exemption and continues in 2016 and beyond with a gradual phase out of eligible manufacturing personal property

Table 1
Exemption Schedule for **Existing** Property

Purchased by first owner in	100% exemption goes into effect
2006	2017
2007	2018
2008	2019
2009	2020
2010	2021
2011	2022
2012	2023

NOTE: Legislative changes enacted in 2014 will require Eligible Manufacturing PP that is exempt locally to be subject to a specific tax known as the State Essential Services Assessment per PA 92 of 2014. In an effort to assist taxpayers, please see the State's website at www.michigan.gov/taxes for more details including current legislative updates

Eligible Manufacturing Personal Property Tax (PPT) Exemption

Eligible Manufacturing PPT is defined as all industrial and commercial PP located on a parcel of real property if the PP is used more than 50% of the time in industrial processing or direct integrated support. See MCL 211.7m. There are three facets of this phase out:

- New PP- Beginning in 2016 all Eligible Manufacturing PP (EMPP) purchased by the first owner after 2012 is 100% exempt from local tax
- Existing Personal Property-Beginning in 2016 all EMPP purchased by first owner prior to 2006 is 100% exempt from local tax. For the next seven years, equipment that is ten years old will become exempt by adding one additional year of purchase to the exemption until all existing EMPP is 100% exempt from local tax. See Table 1 for phase out related to Tax Years 2017 through 2023
- Existing Property Tax Abatements-Beginning in 2014, existing PPT abatements would be extended until the EMPP qualifies for local tax exemption under the Existing PP exemption
 - Qualified abatements are:
 - PA 198 Industrial Facilities Tax Exemption
 - Technology Park Redevelopment ACT
 - Enterprise Zone Act
- All EMPP is to be filed to the local assessing unit by February 20th on Form 5278, Affidavit and Statement for Eligible Manufacturing Personal Property and Essential Services Assessment

