STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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Personal Property Tax Changes
Property Tax Exemption Programs

TO: Assessors, Equalization Directors and Interested Parties

FROM: State Tax Commission

SUBJECT: Public Acts 397, 398, 399 and 400 of 2012

In December of 2012, Governor Snyder signed into law eleven bills affecting the taxation of personal property. The majority of these Acts do not take effect until December 31, 2015 for the 2016 tax year; further guidance on those Acts will be provided at a later date. The purpose of this Bulletin is to provide guidance only on Public Acts 397, 398, 399 and 400 of 2012.

Simply put, these Acts require that specific exemption certificates remain in effect until the eligible manufacturing personal property exempted in those certificates becomes exempt under the new personal property exemption Acts. Eligible manufacturing personal property is defined in MCL 211.9m(5)(b). This provision is only in effect for certificates that were in effect on December 31, 2012 for the following programs:

A. Public Act 397 of 2012 – Industrial Facilities Exemptions

For any facility that was subject to an industrial facilities exemption certificate on December 31, 2012, the exemption certificate will remain in effect and not expire for that portion of the facility that is eligible manufacturing personal property until the property would otherwise be exempt under the following sections:

211.9m Qualified New Personal Property: Exemption begins December 31, 2015 for the 2016 tax year.

211.9n Qualified Existing Personal Property: Exemption begins December 31, 2015 for the 2016 tax year and is phased in over 10 years.

211.9o Eligible Personal Property: Exemption begins December 31, 2013 for the 2014 tax year. See Bulletin 11 of 2013 for more information regarding this exemption.

B. Public Act 398 of 2012 – Technology Park Development Facilities Tax

For any facility that was subject to a technology park development facilities tax exemption on December 31, 2012, the exemption will remain in effect and not expire for that portion of the facility that is eligible manufacturing personal property until the property would otherwise be exempt under the following sections:

211.9m Qualified New Personal Property: Exemption begins December 31, 2015 for the 2016 tax year.

211.9n Qualified Existing Personal Property: Exemption begins December 31, 2015 for the 2016 tax year and is phased in over 10 years.

211.9o Eligible Personal Property: Exemption begins December 31, 2013 for the 2014 tax year. See Bulletin 11 of 2013 for more information regarding this exemption.

C. Public Act 399 of 2012 – New Personal Property Exemption

For any facility that was subject to a new personal property exemption certificate on December 31, 2012, the exemption will remain in effect and not expire for that portion of the facility that is eligible manufacturing personal property until the property would otherwise be exempt under the following sections:

211.9m Qualified New Personal Property: Exemption begins December 31, 2015 for the 2016 tax year.

211.9n Qualified Existing Personal Property: Exemption begins December 31, 2015 for the 2016 tax year and is phased in over 10 years.

211.9o Eligible Personal Property: Exemption begins December 31, 2013 for the 2014 tax year. See Bulletin 11 of 2013 for more information regarding this exemption.

D. Public Act 400 of 2012 – Enterprise Zone

For any facility that was subject to an enterprise zone exemption on December 31, 2012, the exemption will remain in effect and not expire for that portion of the facility that is **eligible manufacturing personal property** until the property would otherwise be exempt under the following sections:

211.9m Qualified New Personal Property: Exemption begins December 31, 2015 for the 2016 tax year.

211.9n Qualified Existing Personal Property: Exemption begins December 31, 2015 for the 2016 tax year and is phased in over 10 years.

211.9o Eligible Personal Property: Exemption begins December 31, 2013 for the 2014 tax year. See Bulletin 11 of 2013 for more information regarding this exemption.

E. Assessor Responsibilities

Assessors must ensure they are taking all necessary steps to identify any exemptions that fall into the aforementioned Act. Assessors must identify what portion of the facilities will be eligible for the personal property tax exemptions that will phase in over the next 10 years and ensure that the eligible portion of these facilities receive their specific exemption until they are eligible for the personal property tax exemption.

Assessors must return to the ad valorem roll any property that would not be eligible for the new personal property tax exemptions upon expiration of the existing exemption certificate.

F. Additional Information

This Act is repealed if not approved by a majority of the qualified electors of this State who will vote on the question at an election in August 2014. If repealed, assessors should return to the ad valorem assessment roll for the 2015 year any personal property for which an exemption certificate was extended by P.A. 397 thru P.A. 401.