

Legislative Analysis



PERSONAL PROPERTY TAX EXEMPTION

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House Bill 4337

Sponsor: Rep. Kenneth Horn

Committee: Tax Policy

Complete to 7-24-07

A SUMMARY OF HOUSE BILL 4337 AS INTRODUCED 2-28-07

Under the General Property Tax Act, local assessing districts in certain distressed areas may adopt a resolution exempting from taxation new personal property owned or leased by certain eligible businesses. To be eligible for the property tax exemption, a business must be engaged primarily in manufacturing, mining, research and development, wholesale trade, or office operations. Additionally, the business must be located within an industrial development district, renaissance zone, enterprise zone, brownfield redevelopment zone, empowerment zone, tax increment financing district, or downtown development district within a city, village, or township that contains a "distressed area," as that term is defined under the State Housing Development Authority Act.

House Bill 4337 adds that if an "existing eligible business" sells or leases-out new personal property that is exempt from taxation (as provided above), the exemption would continue for the "acquiring eligible business" for the duration of the time period specified in the resolution providing the original exemption. The exemption would apply to the personal property being acquired or leased by the acquiring business from the existing business and to any new personal property purchased or leased by the acquiring business.

MCL 211.9f

FISCAL IMPACT:

The bill would have no significant fiscal impact on the state or local units of government.

Fiscal Analyst: Mark Wolf

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