

HOUSE BILL No. 5666

January 24, 2008, Introduced by Reps. Dean, Bieda, Corriveau, Valentine, Donigan, Robert Jones, Simpson, Vagnozzi, Meisner, Brown, Gaffney, Constan, Sheltroun, Hopgood, LeBlanc, Farrah, Mayes, Griffin, Virgil Smith, Lemmons, Clack, Wojno, Scott, Kathleen Law, Bauer and Jackson and referred to the Committee on Tax Policy.

A bill to amend 1974 PA 198, entitled

"An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,"

by amending section 14 (MCL 207.564), as amended by 2007 PA 39.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) The amount of the industrial facility tax, in
2 each year for a replacement facility, shall be determined by
3 multiplying the total mills levied as ad valorem taxes for that
4 year by all taxing units within which the facility is situated by

1 the taxable value of the real and personal property of the obsolete
2 industrial property for the tax year immediately preceding the
3 effective date of the industrial facilities exemption certificate
4 after deducting the taxable value of the land and of the inventory
5 as specified in section 19.

6 (2) The amount of the industrial facility tax, in each year
7 for a new facility or a speculative building for which an
8 industrial facilities exemption certificate became effective before
9 January 1, 1994, shall be determined by multiplying the taxable
10 value of the facility excluding the land and the inventory personal
11 property by the sum of 1/2 of the total mills levied as ad valorem
12 taxes for that year by all taxing units within which the facility
13 is located other than mills levied for school operating purposes by
14 a local school district within which the facility is located or
15 mills levied under the state education tax act, 1993 PA 331, MCL
16 211.901 to 211.906, plus 1/2 of the number of mills levied for
17 local school district operating purposes in 1993.

18 (3) Except as provided in subsection (4), the amount of the
19 industrial facility tax in each year for a new facility or a
20 speculative building for which an industrial facilities exemption
21 certificate becomes effective after December 31, 1993, shall be
22 determined by multiplying the taxable value of the facility
23 excluding the land and the inventory personal property by the sum
24 of 1/2 of the total mills levied as ad valorem taxes for that year
25 by all taxing units within which the facility is located other than
26 mills levied under the state education tax act, 1993 PA 331, MCL
27 211.901 to 211.906, plus, subject to section 14a, the number of

1 mills levied under the state education tax act, 1993 PA 331, MCL
2 211.901 to 211.906.

3 (4) For taxes levied after December 31, 2007, for the personal
4 property tax component of an industrial facilities exemption
5 certificate for a new facility or a speculative building that is
6 sited on real property classified as industrial ~~personal~~ **REAL**
7 property under section 34c of the general property tax act, 1893 PA
8 206, MCL 211.34c, the amount of the industrial facility tax in each
9 year for a new facility or a speculative building shall be
10 determined by multiplying the taxable value of the facility
11 excluding the land and the inventory personal property by the sum
12 of 1/2 of the total mills levied as ad valorem taxes for that year
13 by all taxing units within which the facility is located other than
14 mills levied under the state education tax act, 1993 PA 331, MCL
15 211.901 to 211.906, and the number of mills from which the property
16 is exempt under section 1211(1) of the revised school code, 1976 PA
17 451, MCL 380.1211. **FOR TAXES LEVIED AFTER DECEMBER 31, 2007, FOR**
18 **THE PERSONAL PROPERTY TAX COMPONENT OF AN INDUSTRIAL FACILITIES**
19 **EXEMPTION CERTIFICATE FOR A NEW FACILITY OR A SPECULATIVE BUILDING**
20 **THAT IS SITED ON REAL PROPERTY CLASSIFIED AS COMMERCIAL REAL**
21 **PROPERTY UNDER SECTION 34C OF THE GENERAL PROPERTY TAX ACT, 1893 PA**
22 **206, MCL 211.34C, THE AMOUNT OF THE INDUSTRIAL FACILITY TAX IN EACH**
23 **YEAR FOR A NEW FACILITY OR A SPECULATIVE BUILDING SHALL BE**
24 **DETERMINED BY MULTIPLYING THE TAXABLE VALUE OF THE FACILITY**
25 **EXCLUDING THE LAND AND THE INVENTORY PERSONAL PROPERTY BY THE SUM**
26 **OF 1/2 OF THE TOTAL MILLS LEVIED AS AD VALOREM TAXES FOR THAT YEAR**
27 **BY ALL TAXING UNITS WITHIN WHICH THE FACILITY IS LOCATED OTHER THAN**

1 THE NUMBER OF MILLS FROM WHICH THE PROPERTY IS EXEMPT UNDER SECTION
2 1211(1) OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

3 (5) For a termination or revocation of only the real property
4 component, or only the personal property component, of an
5 industrial facilities exemption certificate as provided in this
6 act, the valuation and the tax determined using that valuation
7 shall be reduced proportionately to reflect the exclusion of the
8 component with respect to which the termination or revocation has
9 occurred.