

Legislative Analysis



MODIFY DEADLINE FOR PERSONAL PROPERTY TAX EXEMPTION FORMS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Analysis available at
<http://www.legislature.mi.gov>

Senate Bill 570 as passed Senate as (S-1)
Sponsor: Sen. Dave Hildenbrand

Senate Bill 571 as passed Senate
Sponsor: Sen. Jack Brandenburg

Senate Bill 572 as passed Senate
Sponsor: Sen. David Robertson

Senate Bill 573 as passed Senate
Sponsor: Sen. John Proos

House Committee: Tax Policy
Senate Committee: Finance
Complete to 11-6-17

SUMMARY:

Senate Bill 570 would amend the General Property Tax Act to modify the deadline for filing a combined document to claim a personal property tax exemption for qualified new and qualified previously existing personal property. Currently under the act, this document is due to the local assessor by February 20 of each year. The bill would add to this provision the following:

- If February 20 were a Saturday, Sunday, or legal holiday, the delivery deadline would be the next day that is not a Saturday, Sunday, or legal holiday.
- For purposes of delivery by United States Postal Service, the delivery is on time if it is postmarked on or before the delivery deadline and if it is received by the local assessor at least one week before the March meeting of the board of review begins.
- If the delivery were not on time according to the above standards, a late application could be filed directly with the March board of review before its final adjournment. The board would not be allowed to accept filings after its adjournment.
- An appeal of a denial by the March board of review could be made by filing a petition with the Tax Tribunal within 35 days.

The bill would also apply this revised deadline to all the following:

- The filing of a statement for exemption of “eligible personal property” under section 9o of the act (commonly called the small parcel exemption).
- The filing of a document for exemption of new personal property under section 9f of the act (for property in an “eligible local assessing district”).
- The filing of a statement of all personal property under section 19 of the act.

Finally, the bill would remove the requirement that the board of review meetings in July and December hear appeals for the small parcel exemption.

Senate Bills 571 and 572 would amend the State Essential Services Assessment Act and Alternative State Essential Services Assessment Act, respectively, to reference the revised deadline proposed in SB 570 in regard to a combined document that the Department of Treasury may require of eligible claimants under each act.

Senate Bill 573 would amend 1974 PA 198 (Plant Rehabilitation and Industrial Development Districts) to reference the timeline proposed in SB 570 in regard to a combined filing required of holders of industrial facilities exemption certificates.

Each bill would take effect December 31, 2017. SB 570 is tie-barred to the other bills, and each of the other bills is tie-barred to SB 570, meaning that none of the bills could take effect unless all of them were enacted.

MCL 211.9f et al. (SB 570)

MCL 211.1057 (SB 571)

MCL 211.1077 (SB 572)

MCL 207.561a (SB 573)

FISCAL IMPACT:

The bills would have an unknown, but likely minimal, fiscal impact on state and local government. The revenue impact would be directly correlated to the number of properties that wouldn't have otherwise qualified for an exemption but for the filing deadline extensions, the taxable value of the properties affected, and local millage rates. Personal property tax (PPT) exemptions would lower local property tax revenue and State School Aid Fund revenue from the State Education Tax (SET). Revenue from the 18 mills (generally) levied for school operating purposes and SET revenue lost as a result of PPT exemptions are required to be replaced from the State's share of use tax revenue that would otherwise be deposited in the General Fund.

While the total amount of Local Community Stabilization Authority payments in any given year are fixed in statute, the distribution of those payments would change to accommodate any newly exempt property under the provisions of the bill. Revenue from the Essential Services Assessment would increase by an unknown amount depending on the number of properties affected by the bill's provisions.

The provisions of the bill authorizing a late filing directly with the Board of Review would lead to additional casework for an affected Board of Review. However, any additional time or expenses would likely be covered under current operations at the local level.

Legislative Analyst: Patrick Morris
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.