

ALTERNATIVE STATE ESSENTIAL SERVICES ASSESSMENT ACT (EXCERPT)
Act 93 of 2014

***** 211.1077.new THIS NEW SECTION IS EFFECTIVE WHEN THE CONDITION APPLIED BY ENACTING SECTION 1 OF ACT 93 OF 2014 IS MET: See enacting section 1 of Act 93 of 2014 *****

211.1077.new Alternative state essential services assessment; collection; administration; calculation; availability of electronic statement; submission of election statement and payment; waiver or delay; failure to submit statement and payment; notice; penalty; appeal.

Sec. 7. (1) The department of treasury shall collect and administer the alternative state essential services assessment as provided in this section.

(2) Not later than May 1 in each assessment year, the department of treasury shall make available in electronic form to each eligible claimant a statement for calculation of the assessment as provided in section 5.

(3) Not later than September 15 in each assessment year, each eligible claimant shall submit electronically to the department of treasury the completed statement and full payment of the assessment levied under section 5 for that assessment year as calculated in section 5(2). The department of treasury may waive or delay the electronic filing requirement at its discretion. A statement submitted by an eligible claimant shall include all of the eligible claimant's eligible personal property located in this state subject to the assessment levied under section 5 and, beginning in 2019, specify the location of that property on December 31 of the year immediately preceding the assessment year.

(4) If an eligible claimant does not submit the statement and full payment of the assessment levied under section 5 by September 15, the department of treasury shall issue a notice to the eligible claimant not later than October 15. The notice shall include a statement explaining the consequences of nonpayment as set forth in subsection (5) and instructing the eligible claimant of its potential responsibility under subsection (5)(e). An eligible claimant shall submit payment in full by November 1 of the assessment year along with a penalty of 1% per week on the unpaid balance for each week payment is not made in full up to a maximum of 5% of the total amount due and unpaid. For the eligible claimant's first assessment year, the penalty shall be waived if the eligible claimant submits the statement and full payment of the assessment levied under section 5 within 7 business days of September 15.

(5) If an eligible claimant does not submit payment in full and any penalty due under subsection (4) by November 1, all of the following shall apply:

(a) The state tax commission shall direct the assessor to rescind for the assessment year any exemption described in section 9m or 9n of the general property tax act, 1893 PA 206, MCL 211.9m and 211.9n, granted for the eligible personal property.

(b) The state tax commission shall rescind for the assessment year any exemption under section 9f of the general property tax act, 1893 PA 206, MCL 211.9f, which exemption was approved under section 9f of the general property tax act, 1893 PA 206, MCL 211.9f, after 2013.

(c) The state tax commission shall rescind for the assessment year any exemption for eligible personal property subject to an extended industrial facilities exemption certificate under section 11a of 1974 PA 198, MCL 207.561a.

(d) The state tax commission shall rescind for the assessment year any extended exemption for eligible personal property under section 9f(8)(a) of the general property tax act, 1893 PA 206, MCL 211.9f.

(e) The claimant shall file not later than November 10 a statement under section 19 of the general property tax act, 1893 PA 206, MCL 211.19, for all property for which the exemption has been rescinded under this section.

(f) All taxes due as a result of a rescission by the department of treasury or by the state tax commission under subdivisions (a) to (d) that were not billed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, or under 1974 PA 198, MCL 207.551 to 207.572, on the summer bill shall be billed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, or under 1974 PA 198, MCL 207.551 to 207.572, on the winter tax bill.

(g) A person who files a statement under section 7 shall provide access to the books and records relating to the description; the date of purchase, lease, or acquisition; and the purchase price, lease amount, or value of all industrial personal property and commercial personal property owned by, leased by, or in the possession of that person or a related entity if requested by the assessor of the local tax collecting unit, county equalization department, or department of treasury for the year in which the statement is filed and the immediately preceding 3 years.

(6) An eligible claimant may appeal an assessment levied under section 5 or a penalty or rescission under this section to the state tax commission by filing a petition not later than December 31 in that tax year. The department of treasury may appeal to the state tax commission by filing a petition for the current calendar year and 3 immediately preceding calendar years. The state tax commission shall decide any appeal based on the written petition and the written recommendation of state tax commission staff and any other relevant information. The department of treasury or any eligible claimant may appeal the decision of the state tax commission to the Michigan tax tribunal.

History: 2014, Act 93, Eff. (pending).

Compiler's note: Enacting section 1 of Act 93 of 2014 provides:

"Enacting section 1. This act does not take effect unless Senate Bill No. 822 of the 97th Legislature is approved by a majority of the qualified electors of this state voting on the question at an election to be held on the August regular election date in 2014."

Enacting section 2 of Act 93 of 2014 provides:

"Enacting section 2. The legislature declares that stable local government funding and a tax system that allows individuals, small businesses, and large businesses to thrive and create jobs in this state are priorities of state government. The legislature also declares that all state priorities should be considered in enacting any legislation that has a fiscal impact and that any costs should be managed in a fiscally responsible way. In furtherance of these objectives, the legislature has reduced the state use tax under section 3 of the use tax act, 1937 PA 94, MCL 205.93, and replaced the portion reduced with a use tax levied by the local community stabilization authority on behalf of local units of government throughout this state to provide more stable funding for local units of government than exists today. It is the intent of the legislature to offset the fiscal impact on the state general fund resulting from the reduction of the state use tax with new revenue generated by the assessment levied under this act and with new revenue resulting from the expiration of over \$630,000,000.00 in expiring refundable tax credits that were awarded to individual businesses under tax laws enacted by past legislatures."