

**THE GENERAL PROPERTY TAX ACT (EXCERPT)**  
**Act 206 of 1893**

**211.9n Qualified previously existing personal property; exemption; combined document; requirements; denial of claim; books and records; fraudulent claim; failure to file form; failure to file combined document; deadline requirements; definitions.**

Sec. 9n. (1) Beginning December 31, 2015 and each year thereafter, qualified previously existing personal property for which an exemption has been properly claimed under subsection (2) is exempt from the collection of taxes under this act.

(2) A person shall claim the exemption under this section and section 9m by filing each year a combined document that includes: the form to claim the exemption under this section and section 9m, a report of the fair market value and year of acquisition by the first owner of qualified previously existing personal property, and for any year before 2023, a statement under section 19. All of the following apply to a claim of the exemption under this section:

(a) The combined document shall be in a form and manner prescribed by the department of treasury.

(b) Leasing companies are not eligible to receive the exemption under this section and may not use the combined document prescribed in this section. With respect to personal property that is the subject of a lease agreement, regardless of whether the agreement constitutes a lease for financial or tax purposes, all of the following apply:

(i) If the personal property is eligible manufacturing personal property, the lessee and lessor may elect that the lessee report the leased personal property on the combined document.

(ii) An election made by the lessee and the lessor under this subdivision shall be made in a form and manner approved by the department.

(iii) Absent an election, the personal property shall be reported by the lessor on the personal property statement unless the exemption for eligible manufacturing personal property is claimed by the lessee on the combined document.

(c) The combined document prescribed in this section, shall be completed and delivered to the assessor of the township or city in which the qualified previously existing personal property is located by February 20 of each year. However, if February 20 of a year is a Saturday, Sunday, or legal holiday, the delivery deadline for that year is the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a combined document delivered by the United States Postal Service, the delivery is timely if the postmark date is on or before the delivery deadline prescribed in this subdivision. If the combined document prescribed in this section is not timely delivered to the assessor of the township or city, a late application may be filed directly with the March board of review before its final adjournment by submitting the combined document prescribed in this section. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice.

(d) The assessor shall transmit to the department of treasury the information contained in the combined document filed under this section, and other parcel information required by the department of treasury and in the manner prescribed by the department of treasury no later than April 1.

(e) A person claiming an exemption under this section shall rescind the claim of exemption by December 31 of the year in which exempted property is no longer eligible for the exemption by filing with the assessor of the township or city a rescission affidavit in a form prescribed by the department of treasury.

(f) The assessor of the township or city shall annually transmit the rescission affidavits filed, or the information contained in the rescission affidavits filed, under this section to the department of treasury in the form and in the manner prescribed by the department of treasury no later than April 1.

(3) If the assessor of the township or city believes that personal property for which the form claiming an exemption is timely filed each year under subsection (2)(c) is not qualified previously existing personal property or the form filed was incomplete, the assessor may deny that claim for exemption by notifying the person that filed the form in writing of the reason for the denial and advising the person that the denial, shall be appealed to the board of review under section 30 by filing a combined document as prescribed under subsection (2). If the denial is issued after the first meeting of the March board of review that follows the organizational meeting, the appeal of the denial is either to the March board of review or the Michigan tax tribunal by filing a petition and a completed combined document as prescribed under subsection (2), within 35 days of the denial notice. The assessor may deny a claim for exemption under this subsection for the current year only. If the assessor denies a claim for exemption, the assessor shall remove the exemption of that personal property and amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes.

(4) A person claiming an exemption for qualified previously existing personal property exempt under this section shall maintain books and records and shall provide access to those books and records as provided in section 22.

(5) If a person fraudulently claims an exemption for personal property under this section, that person is subject to the penalties provided for in section 21(2).

(6) For 2016 only, if an owner of qualified previously existing personal property did not file form 5278 by February 22, 2016 or filed an incomplete form 5278 by February 22, 2016 to claim the exemption under this section with the assessor of the city or township in which the qualified previously existing personal property is located, that owner may file form 5278 with the assessor of the city or township in which the qualified previously existing personal property is located no later than May 31, 2016. If the assessor determines the property qualifies for the exemption under this section, the assessor shall immediately amend the assessment roll to reflect the exemption. The assessor of the township or city shall transmit the affidavits filed, or the information contained in the affidavits filed, under this section, and other parcel information required by the department of treasury, to the department of treasury in the form and in the manner prescribed by the department of treasury no later than June 7, 2016. The owner shall still be required to meet all deadlines required under section 7 of the state essential services assessment act, 2014 PA 92, MCL 211.1057. If the assessor of the township or city believes that personal property for which an affidavit claiming an exemption filed under this subsection by May 31, 2016 is not qualified previously existing personal property, the assessor may deny that claim for exemption by notifying the person that filed the affidavit in writing of the reason for the denial and advising the person that the denial may be appealed to the Michigan tax tribunal within 35 days of the date of the denial.

(7) For 2017 only, if an owner of qualified previously existing personal property did not file the combined document by February 21, 2017 to claim the exemption under this section with the assessor of the city or township in which the qualified previously existing personal property is located, that owner may file the combined document with the assessor of the city or township in which the qualified previously existing personal property is located no later than May 31, 2017. If the assessor determines the property qualifies for the exemption under this section, the assessor shall immediately amend the assessment roll to reflect the exemption. The assessor of the township or city shall transmit the combined document filed, or the information contained in the combined document filed, under this section, and other parcel information required by the department of treasury, to the department of treasury in the form and in the manner prescribed by the department of treasury no later than June 9, 2017. The owner shall still meet all deadlines required under section 7 of the state essential services assessment act, 2014 PA 92, MCL 211.1057. If the assessor of the township or city believes that personal property for which a combined document claiming an exemption filed under this subsection by May 31, 2017 is not qualified previously existing personal property, the assessor may deny that claim for exemption by notifying the person that filed the combined document in writing of the reason for the denial and advising the person that the denial may be appealed to the Michigan tax tribunal within 35 days of the date of the denial.

(8) As used in this section:

(a) "Direct integrated support", "eligible manufacturing personal property", "fair market value", and "industrial processing" mean those terms as defined in section 9m.

(b) "Person" means an individual, partnership, corporation, association, limited liability company, or any other legal entity.

(c) "Qualified previously existing personal property" means personal property that meets both of the following conditions:

(i) Is eligible manufacturing personal property.

(ii) Was first placed in service within this state or outside this state more than 10 years before the current calendar year.

**History:** Add. 2012, Act 403, Eff. Mar. 28, 2013;—Am. 2013, Act 154, Imd. Eff. Nov. 5, 2013;—Am. 2015, Act 119, Imd. Eff. July 10, 2015;—Am. 2016, Act 108, Imd. Eff. May 6, 2016;—Am. 2017, Act 42, Imd. Eff. May 25, 2017;—Am. 2017, Act 261, Eff. Dec. 31, 2017.

**Compiler's note:** Enacting section 1 of Act 403 of 2012 provides:

"Enacting section 1. Section 9n of the general property tax act, 1893 PA 206, MCL 211.9n, as added by this amendatory act, is repealed if House Bill No. 6026 of the 96th Legislature is not 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 1 of Act 91 of 2014 provides:

"Enacting section 1. Section 9n of the general property tax act, 1893 PA 206, MCL 211.9n, as added by this amendatory act, is repealed if either House Bill No. 6026 of the 96th Legislature, 2012 PA 408, or Senate Bill No. 822 of the 97th Legislature is presented to the qualified electors of this state at an election to be held on the August regular election date in 2014 and the bill presented is not approved by a majority of the qualified electors of this state voting on the question."

**Compiler's note:** Pursuant to section 34 of article IV of the state constitution of 1963, a legislative referendum on Act 80 of 2014 was presented to the electors as Proposal 14-1 at the August 5, 2014 primary election. The proposal read as follows:

**“APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS**

The amendatory act adopted by the Legislature would:

1. Reduce the state use tax and replace with a local community stabilization share of the tax for the purpose of modernizing the tax system to help small businesses grow and create jobs in Michigan.
2. Require Local Community Stabilization Authority to provide revenue to local governments dedicated for local purposes, including police safety, fire protection, and ambulance emergency services.
3. Increase portion of state use tax dedicated for aid to local school districts.
4. Prohibit Authority from increasing taxes.
5. Prohibit total use tax rate from exceeding existing constitutional 6% limitation.

Should this law be approved?

YES

NO

Act 80 of 2014 was approved by a majority of the voters at the August 5, 2014 primary election. The election results were certified by the Michigan Board of State Canvassers on August 22, 2014.

**Popular name:** Act 206