

HOUSE BILL No. 6679

November 30, 2006, Introduced by Rep. Byrum 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 sections 14 and 14a (MCL 207.564 and 207.564a), section 14 as amended by 1996 PA 1 and section 14a as amended by 1994 PA 266.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) The amount of the industrial facility tax, in

1 each year for a replacement facility, shall be determined by
2 multiplying the total mills levied as ad valorem taxes for that
3 year by all taxing units within which the facility is situated by
4 the taxable value of the real and personal property of the obsolete
5 industrial property for the tax year immediately preceding the
6 effective date of the industrial facilities exemption certificate
7 after deducting the taxable value of the land and of the inventory
8 as specified in section 19.

9 (2) The amount of the industrial facility tax, in each year
10 for a new facility or a speculative building for which an
11 industrial facilities exemption certificate became effective before
12 January 1, 1994, shall be determined by multiplying the taxable
13 value of the facility excluding the land and the inventory personal
14 property by the sum of 1/2 of the total mills levied as ad valorem
15 taxes for that year by all taxing units within which the facility
16 is located other than mills levied for school operating purposes by
17 a local school district within which the facility is located or
18 mills levied under the state education tax act, ~~Act No. 331 of the~~
19 ~~Public Acts of 1993, being sections 211.901 to 211.906 of the~~
20 ~~Michigan Compiled Laws 1993 PA 331, MCL 211.901 TO 211.906,~~ plus
21 1/2 of the number of mills levied for local school district
22 operating purposes in 1993.

23 (3) ~~The~~ **EXCEPT AS PROVIDED IN SUBSECTION (4), THE** amount of
24 the industrial facility tax in each year for a new facility or a
25 speculative building for which an industrial facilities exemption
26 certificate becomes effective after December 31, 1993, shall be
27 determined by multiplying the taxable value of the facility

1 excluding the land and the inventory personal property by the sum
2 of 1/2 of the total mills levied as ad valorem taxes for that year
3 by all taxing units within which the facility is located other than
4 mills levied under the state education tax act, 1993 PA 331, MCL
5 211.901 TO 211.906, plus, subject to section 14a, the number of
6 mills levied under ~~Act No. 331 of the Public Acts of 1993~~ **THE**
7 **STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906.**

8 (4) **FOR TAXES LEVIED AFTER DECEMBER 31, 2007, FOR THE PERSONAL**
9 **PROPERTY TAX COMPONENT OF AN INDUSTRIAL FACILITIES EXEMPTION**
10 **CERTIFICATE FOR A NEW FACILITY OR A SPECULATIVE BUILDING THAT IS**
11 **CLASSIFIED AS INDUSTRIAL PERSONAL PROPERTY UNDER SECTION 34C OF THE**
12 **GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.34C, THE AMOUNT OF**
13 **THE INDUSTRIAL FACILITY TAX IN EACH YEAR FOR A NEW FACILITY OR A**
14 **SPECULATIVE BUILDING SHALL BE DETERMINED BY MULTIPLYING THE TAXABLE**
15 **VALUE OF THE FACILITY EXCLUDING THE LAND AND THE INVENTORY PERSONAL**
16 **PROPERTY BY THE SUM OF 1/2 OF THE TOTAL MILLS LEVIED AS AD VALOREM**
17 **TAXES FOR THAT YEAR BY ALL TAXING UNITS WITHIN WHICH THE FACILITY**
18 **IS LOCATED OTHER THAN MILLS LEVIED UNDER THE STATE EDUCATION TAX**
19 **ACT, 1993 PA 331, MCL 211.901 TO 211.906, AND THE NUMBER OF MILLS**
20 **FROM WHICH THE PROPERTY IS EXEMPT UNDER SECTION 1211(1) OF THE**
21 **REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.**

22 (5) ~~(4)~~ For a termination or revocation of only the real
23 property component, or only the personal property component, of an
24 industrial facilities exemption certificate as provided in this
25 act, the valuation and the tax determined using that valuation
26 shall be reduced proportionately to reflect the exclusion of the
27 component with respect to which the termination or revocation has

1 occurred.

2 Sec. 14a. Within 60 days after the granting of an industrial
3 facilities exemption certificate under section 7 for a new
4 facility, the state treasurer may exclude 1/2 or all of the number
5 of mills levied under the state education tax act, ~~Act No. 331 of~~
6 ~~the Public Acts of 1993, being sections 211.901 to 211.906 of the~~
7 ~~Michigan Compiled Laws~~ **1993 PA 331, MCL 211.901 TO 211.906**, from
8 the specific tax calculation on the facility under section 14(3) if
9 the state treasurer determines that reducing the number of mills
10 used to calculate the specific tax under section 14(3) is necessary
11 to reduce unemployment, promote economic growth, and increase
12 capital investment in this state. **THIS SECTION DOES NOT APPLY TO**
13 **THE PERSONAL PROPERTY TAX COMPONENT OF A CERTIFICATE DESCRIBED IN**
14 **SECTION 14(4).**

15 Enacting section 1. This amendatory act does not take effect
16 unless all of the following bills of the 93rd Legislature are
17 enacted into law:

18 (a) Senate Bill No. _____ or House Bill No. 6678 (request no.
19 07524'06 *).

20 (b) Senate Bill No. _____ or House Bill No. 6677 (request no.
21 07525'06 *).

22 (c) Senate Bill No. _____ or House Bill No. 6680 (request no.
23 07527'06 *).

24 (d) Senate Bill No. _____ or House Bill No. 6676 (request no.
25 07528'06 *).