

HOUSE BILL No. 6406

September 9, 2008, Introduced by Reps. Tobocman, Sak, Stahl, Jackson and Rick Jones and referred to the Committee on Tax Policy.

A bill to amend 2005 PA 210, entitled
"Commercial rehabilitation act,"
by amending section 10 (MCL 207.850).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. (1) There is levied upon every owner of a qualified
2 facility to which a commercial rehabilitation exemption certificate
3 is issued a specific tax to be known as the commercial
4 rehabilitation tax.

5 (2) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (8), THE**
6 amount of the commercial rehabilitation tax, in each year, shall be
7 determined by adding the results of both of the following
8 calculations:

9 (a) Multiplying the total mills levied as ad valorem taxes for

1 that year by all taxing units within which the qualified facility
2 is located by the taxable value of the real and personal property
3 of the qualified facility on the December 31 immediately preceding
4 the effective date of the commercial rehabilitation exemption
5 certificate after deducting the taxable valuation of the land and
6 of personal property other than personal property assessed pursuant
7 to sections 8(d) and 14(6) of the general property tax act, 1893 PA
8 206, MCL 211.8 and 211.14, for the tax year immediately preceding
9 the effective date of the commercial rehabilitation exemption
10 certificate.

11 (b) Multiplying the mills levied for school operating purposes
12 for that year under the revised school code, 1976 PA 451, MCL 380.1
13 to 380.1852, and the state education tax act, 1993 PA 331, MCL
14 211.901 to 211.906, by the taxable value of the real and personal
15 property of the qualified facility, after deducting all of the
16 following:

17 (i) The taxable value of the land and of the personal property
18 other than personal property assessed pursuant to sections 8(d) and
19 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and
20 211.14.

21 (ii) The taxable value used to calculate the tax under
22 subdivision (a).

23 (3) The commercial rehabilitation tax is an annual tax,
24 payable at the same times, in the same installments, and to the
25 same officer or officers as taxes imposed under the general
26 property tax act, 1893 PA 206, MCL 211.1 to ~~211.157~~ **211.155**, are
27 payable. Except as otherwise provided in this section, the officer

1 or officers shall disburse the commercial rehabilitation tax
2 payments received by the officer or officers each year to and among
3 this state, cities, school districts, counties, and authorities, at
4 the same times and in the same proportions as required by law for
5 the disbursement of taxes collected under the general property tax
6 act, 1893 PA 206, MCL 211.1 to ~~211.157~~ **211.155**.

7 (4) For intermediate school districts receiving state aid
8 under sections 56, 62, and 81 of the state school aid act of 1979,
9 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the amount of
10 commercial rehabilitation tax that would otherwise be disbursed to
11 an intermediate school district, all or a portion, to be determined
12 on the basis of the tax rates being utilized to compute the amount
13 of state aid, shall be paid to the state treasury to the credit of
14 the state school aid fund established by section 11 of article IX
15 of the state constitution of 1963.

16 (5) The amount of commercial rehabilitation tax described in
17 ~~subsection~~ **SUBSECTIONS (2)(a) AND (8)(A)** that would otherwise be
18 disbursed to a local school district for school operating purposes,
19 and all of the amount described in ~~subsection~~ **SUBSECTIONS (2)(b)**
20 **AND (8)(B)**, shall be paid instead to the state treasury and
21 credited to the state school aid fund established by section 11 of
22 article IX of the state constitution of 1963.

23 (6) The officer or officers shall send a copy of the amount of
24 disbursement made to each unit under this section to the commission
25 on a form provided by the commission.

26 (7) A qualified facility located in a renaissance zone under
27 the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to

1 125.2696, is exempt from the commercial rehabilitation tax levied
2 under this act to the extent and for the duration provided pursuant
3 to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to
4 125.2696, except for that portion of the commercial rehabilitation
5 tax attributable to a special assessment or a tax described in
6 section 7ff(2) of the general property tax act, 1893 PA 206, MCL
7 211.7ff. The commercial rehabilitation tax calculated under this
8 subsection shall be disbursed proportionately to the taxing unit or
9 units that levied the special assessment or the tax described in
10 section 7ff(2) of the general property tax act, 1893 PA 206, MCL
11 211.7ff.

12 (8) THE AMOUNT OF THE COMMERCIAL REHABILITATION TAX FOR A
13 QUALIFIED RETAIL FOOD ESTABLISHMENT, IN EACH YEAR, SHALL BE
14 DETERMINED BY ADDING THE RESULTS OF BOTH OF THE FOLLOWING
15 CALCULATIONS:

16 (A) MULTIPLYING THE TOTAL MILLS LEVIED AS AD VALOREM TAXES FOR
17 THAT YEAR BY ALL TAXING UNITS WITHIN WHICH THE QUALIFIED FACILITY
18 IS LOCATED BY THE TAXABLE VALUE OF THE REAL AND PERSONAL PROPERTY
19 OF THE QUALIFIED FACILITY ON THE DECEMBER 31 IMMEDIATELY PRECEDING
20 THE REHABILITATION AFTER DEDUCTING THE TAXABLE VALUATION OF THE
21 LAND AND OF PERSONAL PROPERTY OTHER THAN PERSONAL PROPERTY ASSESSED
22 PURSUANT TO SECTIONS 8(D) AND 14(6) OF THE GENERAL PROPERTY TAX
23 ACT, 1893 PA 206, MCL 211.8 AND 211.14, FOR THE TAX YEAR
24 IMMEDIATELY PRECEDING THE REHABILITATION.

25 (B) MULTIPLYING THE MILLS LEVIED FOR SCHOOL OPERATING PURPOSES
26 FOR THAT YEAR UNDER THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1
27 TO 380.1852, AND THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL

1 211.901 TO 211.906, BY THE TAXABLE VALUE OF THE REAL AND PERSONAL
2 PROPERTY OF THE QUALIFIED RETAIL FOOD ESTABLISHMENT, AFTER
3 DEDUCTING ALL OF THE FOLLOWING:

4 (i) THE TAXABLE VALUE OF THE LAND AND OF THE PERSONAL PROPERTY
5 OTHER THAN PERSONAL PROPERTY ASSESSED PURSUANT TO SECTIONS 8(D) AND
6 14(6) OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.8 AND
7 211.14.

8 (ii) THE TAXABLE VALUE USED TO CALCULATE THE TAX UNDER
9 SUBDIVISION (A).