

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1069

(As amended December 13, 2012)

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 9m.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 9M. (1) BEGINNING DECEMBER 31, 2015 AND EACH YEAR
2 THEREAFTER, QUALIFIED NEW PERSONAL PROPERTY IS EXEMPT FROM THE
3 COLLECTION OF TAXES UNDER THIS ACT.
4 (2) AN OWNER OF QUALIFIED NEW PERSONAL PROPERTY SHALL CLAIM
5 THE EXEMPTION UNDER THIS SECTION BY FILING AN AFFIDAVIT WITH THE
6 LOCAL TAX COLLECTING UNIT IN WHICH THE QUALIFIED NEW PERSONAL
7 PROPERTY IS LOCATED AND WITH THE DEPARTMENT OF TREASURY NOT LATER
8 THAN [FEBRUARY 20], 2016. THE AFFIDAVIT SHALL BE IN A FORM PRESCRIBED BY
9 THE DEPARTMENT OF TREASURY. AN OWNER OF QUALIFIED NEW PERSONAL
10 PROPERTY IS ONLY REQUIRED TO FILE THE AFFIDAVIT CLAIMING THE

Senate Bill No. 1069 (H-1) as amended December 13, 2012

1 EXEMPTION UNDER THIS SECTION IN 2016.

2 (3) IF AN AFFIDAVIT CLAIMING THE EXEMPTION UNDER THIS SECTION
3 IS FILED IN 2016 AS PROVIDED IN SUBSECTION (2), THE OWNER OF THAT
4 QUALIFIED NEW PERSONAL PROPERTY IS NOT REQUIRED TO ALSO FILE A
5 STATEMENT UNDER SECTION 19 FOR THAT QUALIFIED NEW PERSONAL PROPERTY
6 IN 2016.

7 (4) BEGINNING IN 2017 AND EACH YEAR AFTER 2017, AN OWNER OF
8 QUALIFIED NEW PERSONAL PROPERTY IS NOT REQUIRED TO FILE AN
9 AFFIDAVIT CLAIMING THE EXEMPTION UNDER THIS SECTION FOR QUALIFIED
10 NEW PERSONAL PROPERTY AND IS NOT REQUIRED TO FILE A STATEMENT UNDER
11 SECTION 19 FOR THAT QUALIFIED NEW PERSONAL PROPERTY. AN OWNER OF
12 QUALIFIED NEW PERSONAL PROPERTY EXEMPT UNDER THIS SECTION SHALL
13 PROVIDE DOCUMENTATION EVIDENCING THE DATE OF PURCHASE OF THAT
14 QUALIFIED NEW PERSONAL PROPERTY TO THE ASSESSOR OF THE LOCAL TAX
15 COLLECTING UNIT UPON REQUEST.

16 (5) AS USED IN THIS SECTION:

17 (A) "DIRECT INTEGRATED SUPPORT" MEANS RESEARCH AND DEVELOPMENT
18 FUNCTIONS, TESTING AND QUALITY CONTROL FUNCTIONS, ENGINEERING
19 FUNCTIONS, [WAREHOUSING FACILITIES THAT DIRECTLY SUPPORT THE OWNER OR
LESSEE ENGAGING IN INDUSTRIAL PROCESSING AND THAT STORE TANGIBLE
PERSONAL PROPERTY OWNED BY THAT OWNER OR LESSEE, AND SORTING AND
DISTRIBUTION CENTERS THAT OPTIMIZE TRANSPORTATION AND USE JUST-IN-TIME
INVENTORY MANAGEMENT AND MATERIAL HANDLING FOR INPUTS TO INDUSTRIAL
PROCESSING.]

20 (B) "ELIGIBLE MANUFACTURING PERSONAL PROPERTY" MEANS ALL
21 PERSONAL PROPERTY THAT IS LOCATED ON A PARCEL OF REAL PROPERTY IF
22 THAT PERSONAL PROPERTY IS USED MORE THAN 50% OF THE TIME IN
23 INDUSTRIAL PROCESSING OR IN DIRECT INTEGRATED SUPPORT. THE
24 PERCENTAGE OF USE OF PERSONAL PROPERTY IN INDUSTRIAL PROCESSING OR
25 IN DIRECT INTEGRATED SUPPORT SHALL BE DETERMINED IN THE FOLLOWING
26 MANNER:

Senate Bill No. 1069 (H-1) as amended December 13, 2012

1 (i) MULTIPLY THE TRUE CASH VALUE OF EACH INDIVIDUAL ITEM OF
2 PERSONAL PROPERTY LOCATED ON THAT PARCEL OF REAL PROPERTY BY ITS
3 PERCENTAGE OF USE IN INDUSTRIAL PROCESSING OR IN DIRECT INTEGRATED
4 SUPPORT.

5 (ii) ADD THE RESULT OF THE CALCULATION UNDER SUBPARAGRAPH (i)
6 FOR ALL PERSONAL PROPERTY LOCATED ON THAT PARCEL OF REAL PROPERTY.

7 (iii) DIVIDE THE RESULT OF THE CALCULATION UNDER SUBPARAGRAPH
8 (ii) BY THE TOTAL TRUE CASH VALUE OF ALL PERSONAL PROPERTY LOCATED
9 ON THAT PARCEL OF REAL PROPERTY.

10 (C) "INDUSTRIAL PROCESSING" MEANS THE CONVERSION OR
11 CONDITIONING OF TANGIBLE PERSONAL PROPERTY BY CHANGING THE FORM,
12 COMPOSITION, QUALITY, COMBINATION, OR CHARACTER OF THE PROPERTY FOR
13 ULTIMATE SALE AT RETAIL OR FOR USE IN THE MANUFACTURING OF A
14 PRODUCT TO ULTIMATELY BE SOLD AT RETAIL. INDUSTRIAL PROCESSING DOES
15 NOT INCLUDE THE GENERATION OF ELECTRICITY FOR SALE.

16 (D) "NEW PERSONAL PROPERTY" MEANS PROPERTY THAT MEETS ALL OF
17 THE FOLLOWING CONDITIONS:

18 (i) BEFORE JANUARY 1, 2013, WAS NOT SUBJECT TO OR EXEMPT FROM
19 THE COLLECTION OF TAXES UNDER THIS ACT, EXCEPT INVENTORY EXEMPT
20 UNDER SECTION 9C, AND WAS NOT IN USE OR PLACED IN SERVICE IN THIS
21 STATE.

22 (ii) BEFORE JANUARY 1, 2013, WAS NOT IN USE OR PLACED IN
23 SERVICE OUTSIDE OF THIS STATE.

24 (iii) WAS INITIALLY PURCHASED FROM THE MANUFACTURER, DEALER,
25 DISTRIBUTOR, OR OTHER VENDOR OF NEW PROPERTY AFTER DECEMBER 31,
26 [2012].

27 (E) "QUALIFIED NEW PERSONAL PROPERTY" MEANS PROPERTY THAT

Senate Bill No. 1069 (H-1) as amended December 13, 2012

1 MEETS ALL OF THE FOLLOWING CONDITIONS:

2 (i) IS ELIGIBLE MANUFACTURING PERSONAL PROPERTY.

3 (ii) WAS NEW PERSONAL PROPERTY AFTER DECEMBER 31, 2012.

[Enacting section 1. Section 9m of the general property tax act, 1893 PA 206, MCL 211.9m, 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.]