



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4557 (Substitute S-1 as reported)
Sponsor: Representative Jim Townsend
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the plant rehabilitation and industrial development Act (also known as P.A. 198) to provide that if a facility were subject to an industrial facilities exemption certificate on or after December 31, 2012, that portion of the facility that was eligible manufacturing personal property would remain subject to the industrial facilities tax and exempt from the personal property tax until it would otherwise become exempt under Section 9m, 9n, or 9o of the General Property Tax Act. Currently, the extension of the exemption applies only to a facility that was subject to an industrial facilities exemption certificate on December 31, 2012.

(Section 9m of the General Property Tax Act exempts industrial and commercial personal property that is "qualified new personal property". Section 9n exempts industrial and commercial personal property that is "qualified previously existing personal property". Section 9o allows an exemption if the combined true cash value of all industrial and commercial personal property in a local tax collecting unit owned by, leased by, or in the possession of the owner or a related entity is less than \$80,000.)

The bill also would require the holder of an industrial facilities exemption certificate that was extended to file an affidavit with the township or city assessor indicating the portion of the facility that was eligible manufacturing personal property. The affidavit would have to be filed by February 10 of the first year for which the industrial facilities exemption certificate for that portion of the facility had been extended.

MCL 207.561a

Legislative Analyst: Ryan M. Bergan

FISCAL IMPACT

The bill would have little to no impact on State or local revenue relative to current estimates. While the bill's changes regarding industrial facilities exemption certificates could have minimal impacts relative to current law, the original estimates for the legislation exempting personal property effectively assumed the changes. Therefore, current estimates of the impact of exempting personal property would not change as a result of the bill.

Date Completed: 6-17-15

Fiscal Analyst: David Zin