

# HOUSE BILL NO. 5351

September 29, 2021, Introduced by Reps. Steven Johnson, Allor, Brann, Outman and Meerman  
and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 90 (MCL 211.90), as amended by 2018 PA 132.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 90. (1) Beginning December 31, 2013, eligible personal  
2 property for which an exemption has been properly claimed under  
3 this section is exempt from the collection of taxes under this act.

4           (2) An owner of eligible personal property shall claim the  
5 exemption under this section by filing a statement with the local

1 tax collecting unit in which the eligible personal property is  
2 located not later than February 20 of the first year the exemption  
3 is claimed or, if February 20 of the first year the exemption is  
4 claimed is a Saturday, Sunday, or legal holiday, not later than the  
5 next day that is not a Saturday, Sunday, or legal holiday. For  
6 purposes of a statement delivered by the United States Postal  
7 Service, the filing is timely if the postmark date is on or before  
8 the filing deadline prescribed in this subsection. If the statement  
9 is not timely filed with the local tax collecting unit, a late  
10 submission may be filed directly with the March board of review  
11 before its final adjournment by submitting the statement prescribed  
12 in this subsection. The board of review shall not accept a filing  
13 after adjournment of its March meeting. An appeal of a denial by  
14 the March board of review may be made by filing a petition with the  
15 Michigan tax tribunal within 35 days of the denial notice. A  
16 statement filed under this subsection ~~shall~~**must** be in a form  
17 prescribed by the state tax commission and ~~shall~~**must** include any  
18 address where any property owned by, leased to, or in the  
19 possession of that owner or a related entity is located within that  
20 local tax collecting unit. ~~The~~**In the** statement, **the owner** shall  
21 ~~require the owner to~~ attest that the combined true cash value of  
22 all industrial personal property and commercial personal property  
23 in that local tax collecting unit owned by, leased to, or in the  
24 possession of that owner or a related entity on December 31 of the  
25 immediately preceding year is less than ~~\$80,000.00~~**the amount**  
26 **described in subsection (8) (c) (ii) .**

27 (3) If a statement claiming the exemption under this section  
28 is filed as provided in subsection (2), the owner of that eligible  
29 personal property is not required to file a statement under section

1 19.

2 (4) A person who claims an exemption for eligible personal  
3 property under this section shall maintain books and records and  
4 shall provide access to those books and records as provided in  
5 section 22. A local unit of government may develop and implement an  
6 audit program that includes, but is not limited to, the audit of  
7 all information submitted under subsection (2) for the current  
8 calendar year and the 3 calendar years immediately preceding the  
9 commencement of an audit. Any assessment as a result of an audit  
10 must be paid in full within 35 days of issuance and must include  
11 interest as described in subsection (5).

12 (5) An exemption granted under this section remains in effect  
13 until the personal property is no longer eligible personal  
14 property. An owner whose personal property is no longer eligible  
15 personal property shall file by February 20 of the year that the  
16 property is no longer eligible a rescission and the statement  
17 required under section 19. The rescission ~~shall~~**must** be filed on a  
18 form prescribed by the department of treasury. Upon receipt of a  
19 rescission form, the local assessor shall immediately remove the  
20 exemption. An owner who fails to file a rescission and whose  
21 property is later determined to be ineligible for the exemption  
22 will be subject to repayment of any additional taxes with interest  
23 as described in this subsection. Upon discovery that the property  
24 is no longer eligible personal property, the assessor shall remove  
25 the exemption of that personal property and, if the tax roll is in  
26 the local tax collecting unit's possession, amend the tax roll to  
27 reflect the removal of the exemption, and the local treasurer shall  
28 within 30 days of the date of the discovery issue a corrected tax  
29 bill for any additional taxes with interest at the rate of 1% per

1 month or fraction of a month and penalties computed from the date  
2 the taxes were last payable without interest or penalty. If the tax  
3 roll is in the county treasurer's possession, the tax roll ~~shall~~  
4 **must** be amended to reflect the removal of the exemption and the  
5 county treasurer shall within 30 days of the date of the removal  
6 prepare and submit a supplemental tax bill for any additional  
7 taxes, together with interest at the rate of 1% per month or  
8 fraction of a month and penalties computed from the date the taxes  
9 were last payable without interest or penalty. Interest on any tax  
10 set forth in a corrected or supplemental tax bill again begins to  
11 accrue 60 days after the date the corrected or supplemental tax  
12 bill is issued at the rate of 1% per month or fraction of a month.  
13 Taxes levied in a corrected or supplemental tax bill ~~shall~~**must** be  
14 returned as delinquent on the March 1 in the year immediately  
15 succeeding the year in which the corrected or supplemental tax bill  
16 is issued.

17 (6) If the assessor of the local tax collecting unit believes  
18 that personal property for which a statement claiming an exemption  
19 is timely and properly filed under subsection (2) is not eligible  
20 personal property, the assessor may deny that claim for exemption  
21 by notifying the person that filed the statement in writing of the  
22 reason for the denial and advising the person that the denial may  
23 be appealed to the board of review under section 30 during that tax  
24 year.

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

28 (8) As used in this section:

29 (a) "Commercial personal property" means personal property

1 that is classified as commercial personal property under section  
2 34c or would be classified as commercial personal property under  
3 section 34c if not exempt from the collection of taxes under this  
4 act under this section or section 9m or 9n.

5 (b) "Control", "controlled by", and "under common control  
6 with" mean the possession of the power to direct or cause the  
7 direction of the management and policies of a related entity,  
8 directly or indirectly, whether derived from a management position,  
9 official office, or corporate office held by an individual; by an  
10 ownership interest, beneficial interest, or equitable interest; or  
11 by contractual agreement or other similar arrangement. There is a  
12 rebuttable presumption that control exists if any person, directly  
13 or indirectly, owns, controls, or holds the power to vote, directly  
14 or by proxy, 10% or more of the ownership interest of any other  
15 person or has contributed more than 10% of the capital of the other  
16 person. Indirect ownership includes ownership through attribution  
17 or through 1 or more intermediary entities.

18 (c) "Eligible personal property" means property that meets all  
19 of the following conditions:

20 (i) Is industrial personal property or commercial personal  
21 property.

22 (ii) The combined true cash value of all industrial personal  
23 property and commercial personal property in that local tax  
24 collecting unit owned by, leased to, or in the possession of the  
25 person claiming an exemption under this section or a related entity  
26 on December 31 of the immediately preceding year is less than  
27 \$80,000.00. **Beginning December 31, 2021, the department of treasury**  
28 **shall annually adjust the limitation in this subparagraph by an**  
29 **amount determined by the department of treasury to reflect the**

1 cumulative annual percentage change in the Consumer Price Index. As  
2 used in this subparagraph, "Consumer Price Index" means the most  
3 comprehensive index of consumer prices available for this state  
4 from the Bureau of Labor Statistics of the United States Department  
5 of Labor.

6 (iii) Is not leased to or used by a person that previously owned  
7 the property or a person that, directly or indirectly, controls, is  
8 controlled by, or is under common control with the person that  
9 previously owned the property.

10 (d) "Industrial personal property" means personal property  
11 that is classified as industrial personal property under section  
12 34c or would be classified as industrial personal property under  
13 section 34c if not exempt from the collection of taxes under this  
14 act under this section or section 9m or 9n.

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

17 (f) "Related entity" means a person that, directly or  
18 indirectly, controls, is controlled by, or is under common control  
19 with the person claiming an exemption under this section.