

**SUBSTITUTE FOR
HOUSE BILL NO. 6054**

A bill to amend 2014 PA 93, entitled
"Alternative state essential services assessment act,"
by amending section 7 (MCL 211.1077), as amended by 2017 PA 263.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) The department shall collect and administer the
2 alternative state essential services assessment as provided in this
3 section.

4 (2) Not later than May 1 in each assessment year, the
5 department shall make available in electronic form to each eligible
6 claimant a statement for calculation of the assessment as provided
7 in section 5. That statement shall be developed from the
8 information submitted by the eligible claimant on the combined
9 document as required by sections 9m and 9n of the general property
10 tax act, 1893 PA 206, MCL 211.9m and 211.9n.

11 (3) Not later than ~~August~~**OCTOBER** 15 in each assessment year,

1 each eligible claimant shall electronically revise as necessary and
 2 certify the completed statement and make full payment of the
 3 assessment levied under section 5 for that assessment year as
 4 calculated in section 5(2). The department may waive or delay the
 5 electronic certification requirement at its discretion. The
 6 department may accept a timely filed statement that calculates the
 7 tax under this act that is transmitted and certified using
 8 reporting software approved by the department, subject to audit
 9 under subsection (6). A statement certified by an eligible claimant
 10 shall include all of the eligible claimant's eligible personal
 11 property located in this state subject to the assessment levied
 12 under section 5. The statement required under this subsection shall
 13 not be subject to disclosure under the freedom of information act,
 14 1976 PA 442, MCL 15.231 to 15.246.

15 (4) If an eligible claimant does not certify the statement and
 16 full payment of the assessment levied under section 5 by ~~August~~
 17 **OCTOBER** 15, the department shall issue a notice to the eligible
 18 claimant not later than ~~September~~ **NOVEMBER** 15. The notice shall
 19 include a statement explaining the consequences of nonpayment as
 20 set forth in subsection (5) and instructing the eligible claimant
 21 of its potential responsibility under subsection (5)(e). An
 22 eligible claimant shall submit payment in full by ~~October~~ **APRIL** 15
 23 of the **YEAR FOLLOWING THE** assessment year along with a penalty of
 24 ~~1% per week~~ **5% PER MONTH** on the unpaid balance for each ~~week~~ **MONTH**
 25 payment is not made in full up to a maximum of ~~5%~~ **30%** of the total
 26 amount due and unpaid. **IN CALCULATING THE PENALTY, A PARTIAL MONTH**
 27 **IS CONSIDERED A WHOLE MONTH AND THE PENALTY SHALL NOT BE PRORATED**

1 **BASED ON THE DAY OF THE MONTH THE LATE PAYMENT IS RECEIVED.** For the
 2 eligible claimant's first assessment year, the penalty shall be
 3 waived if the eligible claimant certifies the statement and makes
 4 full payment of the assessment levied under section 5 by ~~September~~
 5 **NOVEMBER** 15. An eligible claimant may amend a certified statement
 6 for the current year up to ~~September~~**OCTOBER** 15. ~~Payments made due~~
 7 ~~to an amended statement are subject to the penalties as described~~
 8 ~~in this subsection.~~ The department shall issue refunds for
 9 overpayments due to an amended statement. All refunds due to
 10 overpayment shall be remitted without interest except as provided
 11 by section 37 of the tax tribunal act, 1973 PA 186, MCL 205.737.

12 (5) For any assessment year in which an eligible claimant does
 13 not submit payment in full and any penalty due under subsection (4)
 14 or (6) by ~~October 15,~~ **APRIL 15 OF THE YEAR FOLLOWING THE ASSESSMENT**
 15 **YEAR,** or if the department discovers that the property is not
 16 eligible under section 9m or 9n of the general property tax act,
 17 1893 PA 206, MCL 211.9m and 211.9n, all of the following shall
 18 apply:

19 (a) The department shall issue an order to rescind no later
 20 than the first Monday in ~~December~~**JUNE** for the **IMMEDIATELY**
 21 **PRECEDING** assessment year any exemption described in section 9m or
 22 9n of the general property tax act, 1893 PA 206, MCL 211.9m and
 23 211.9n, granted for any parcel for which payment in full and any
 24 penalty due have not been received or for which the department
 25 discovers that the property is not eligible under section 9m or 9n
 26 of the general property tax act, 1893 PA 206, MCL 211.9m and
 27 211.9n.

1 (b) Upon the request of the department, the state tax
2 commission shall issue an order to rescind no later than the first
3 Monday in ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment
4 year any exemption under section 9f of the general property tax
5 act, 1893 PA 206, MCL 211.9f, which exemption was approved under
6 section 9f of the general property tax act, 1893 PA 206, MCL
7 211.9f, after 2013 for any parcel for which payment in full and any
8 penalty due have not been received or for which the state tax
9 commission discovers that the property is not eligible personal
10 property.

11 (c) Upon the request of the department, the state tax
12 commission shall issue an order to rescind no later than the first
13 Monday in ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment
14 year any exemption for eligible personal property subject to an
15 extended industrial facilities exemption certificate under section
16 11a of 1974 PA 198, MCL 207.561a, for any parcel for which payment
17 in full and any penalty due have not been received or for which the
18 department discovers that the property is not eligible personal
19 property.

20 (d) Upon the request of the department, the state tax
21 commission shall issue an order to rescind no later than the first
22 Monday in ~~December~~ **JUNE** for the **IMMEDIATELY PRECEDING** assessment
23 year any extended exemption for eligible personal property under
24 section 9f(8)(a) of the general property tax act, 1893 PA 206, MCL
25 211.9f, for any parcel for which payment in full and any penalty
26 due have not been received or for which the department discovers
27 that the property is not eligible personal property.

1 (e) The eligible claimant shall file with the assessor of the
2 township or city within 30 days of the date of the rescission
3 issued under subdivisions (a) to (d) a statement under section 19
4 of the general property tax act, 1893 PA 206, MCL 211.19, for all
5 property for which the exemption has been rescinded under this
6 section.

7 (f) Within 60 days of a rescission under subdivisions (a) to
8 (d), the treasurer of the local tax collecting unit shall issue
9 amended tax bills for any taxes, including penalty and interest,
10 that were not billed under the general property tax act, 1893 PA
11 206, MCL 211.1 to 211.155, or under 1974 PA 198, MCL 207.551 to
12 207.572, and that are owed as a result of the rescission.

13 (6) An eligible claimant shall provide access to the books and
14 records, for audit purposes, relating to the location and
15 description; the date of purchase, lease, or acquisition; and the
16 purchase price, lease amount, or value of all personal property
17 owned by, leased by, or in the possession of that person or a
18 related entity if requested by the assessor of the township or
19 city, county equalization department, or department for the year in
20 which the statement is filed and the immediately preceding 3 years.
21 The department shall develop and implement an audit program which
22 includes, but is not limited to, the audit of statements submitted
23 under subsection (3) and amended statements submitted under
24 subsection (4) for the current calendar year and the 3 calendar
25 years immediately preceding the commencement of an audit. An
26 assessment as a result of an audit shall be paid in full within 35
27 days of issuance and shall include penalties and interest as

1 described in section 154(3) of the general property tax act, 1893
2 PA 206, MCL 211.154. Refunds as a result of an audit under this
3 subsection shall be without interest. The exemption for personal
4 property for which an assessment has been issued as a result of an
5 audit under this subsection shall be subject to the rescission
6 provisions of subsection (5) for the years of the assessment if
7 full payment is not timely made as required by this subsection.

8 (7) An eligible claimant may appeal an assessment levied under
9 section 5 or a penalty or rescission under this section to the
10 Michigan tax tribunal by filing a petition not later than December
11 31 in that tax year. An eligible claimant may appeal an assessment
12 issued, including penalties, interest, or rescission, as a result
13 of an audit conducted under subsection (6) by filing a petition
14 with the Michigan tax tribunal within 35 days of the date of that
15 assessment's issuance. The department may appeal to the Michigan
16 tax tribunal by filing a petition for the current calendar year and
17 3 immediately preceding calendar years.

18 (8) The department may require eligible claimants to annually
19 file by the dates required under the general property tax act, 1893
20 PA 206, MCL 211.1 to 211.55, a combined document that includes the
21 form to claim the exemption under sections 9f(9), 9m, and 9n of the
22 general property tax act, 1893 PA 206, MCL 211.9f, 211.9m, and
23 211.9n, and under section 11a of 1974 PA 198, MCL 207.561a, a
24 report of the fair market value and year of acquisition by the
25 first owner of eligible personal property, and for any year before
26 2023, a statement under section 19 of the general property tax act,
27 1893 PA 206, MCL 211.19. All of the following apply to the filing

1 of a combined document under this subsection:

2 (a) The combined document shall be in a form prescribed by the
3 department.

4 (b) As provided in sections 9m and 9n of the general property
5 tax act, 1893 PA 206, MCL 211.9m and 211.9n, leasing companies are
6 not eligible to receive the exemption for qualified new personal
7 property and qualified previously existing personal property and
8 may not use the combined document prescribed in this section. With
9 respect to personal property that is the subject of a lease
10 agreement, regardless of whether the agreement constitutes a lease
11 for financial or tax purposes, all of the following apply:

12 (i) If the personal property is eligible manufacturing
13 personal property, the lessee and lessor may elect that the lessee
14 report the leased personal property on the combined document.

15 (ii) An election made by the lessor and the lessee under this
16 subdivision shall be made in a form and manner approved by the
17 department.

18 (iii) Absent an election, the personal property shall be
19 reported by the lessor on the personal property statement unless
20 the exemption for eligible manufacturing personal property is
21 claimed by the lessee on the combined document.

22 (c) For eligible personal property exempt under the Michigan
23 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, an
24 eligible claimant shall report the fair market value of that
25 personal property at the time of acquisition by the first owner,
26 including the cost of freight, sales tax, installation, and other
27 capitalized costs, except capitalized interest.

1 (d) The combined document shall be filed with the assessor of
2 the township or city in which the eligible personal property is
3 located.

4 (e) The assessor shall transmit the information contained in
5 the combined document filed under this subsection, and other parcel
6 information required by the department, to the department in the
7 form and in the manner prescribed by the department no later than
8 April 1.

9 Enacting section 1. This amendatory act does not take effect
10 unless House Bill No. 6053 of the 99th Legislature is enacted into
11 law.