

**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.