

**SUBSTITUTE FOR  
HOUSE BILL NO. 4834**

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

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

1       Sec. 9p. (1) Beginning December 31, 2022 and each year  
2 thereafter, qualified heavy equipment rental personal property for  
3 which an exemption has been properly claimed under subsection (2)  
4 is exempt from the collection of taxes under this act.

5       (2) A qualified renter shall claim the exemption under this  
6 section annually by filing each year with the local assessing unit  
7 in which is located the qualified renter business location a  
8 statement that includes the form to claim the exemption under this  
9 section and a statement of all qualified heavy equipment rental



1 personal property for which the exemption is claimed for that tax  
2 year. All of the following apply to a claim of the exemption under  
3 this section:

4 (a) The statement must be filed in a form and manner  
5 prescribed by the department of treasury.

6 (b) The statement must list the addresses of the qualified  
7 renter and must identify each item of qualified heavy equipment  
8 rental personal property for which exemption is claimed for that  
9 tax year.

10 (c) The statement filed for 2023, or filed for 2024 by a  
11 qualified renter that did not claim an exemption under this section  
12 for 2023, must include the amount of ad valorem property tax levied  
13 in this state in 2020, 2021, and 2022 on qualified heavy equipment  
14 rental personal property owned by the qualified renter and, for the  
15 qualified heavy equipment rental personal property either for which  
16 ad valorem property tax was paid for 2020, 2021, or 2022 or that  
17 was acquired or brought into this state during 2020, 2021, or 2022  
18 by a qualified renter and rented from a qualified renter business  
19 location, the qualified renter's liability under the tax levied  
20 under the qualified heavy equipment rental personal property  
21 specific tax act for 2020, 2021, and 2022 if that tax had been in  
22 effect for those years. A qualified renter shall provide  
23 documentation of both amounts as required by the department of  
24 treasury. The department of treasury may audit the documentation  
25 submitted.

26 (d) All information regarding the claim for the exemption must  
27 be considered taxpayer confidential information whether in the  
28 possession of the department of treasury or the local assessing  
29 unit and is not subject to disclosure under the freedom of



1 information act, 1976 PA 442, MCL 15.231 to 15.246. This  
2 subdivision does not prohibit the department of treasury from  
3 sharing, as needed, information regarding a claim for the exemption  
4 under this section with local assessors.

5 (e) By not later than February 20, the statement prescribed in  
6 this section must be completed and delivered to the assessor of the  
7 township or city in which is located the qualified renter business  
8 location. However, if February 20 of a year is a Saturday, Sunday,  
9 or legal holiday, the delivery deadline for that year is the next  
10 day that is not a Saturday, Sunday, or legal holiday. For purposes  
11 of a statement delivered by the United States Postal Service, the  
12 delivery is timely if the postmark date is on or before the  
13 delivery deadline prescribed in this subdivision. If the statement  
14 prescribed in this section is not timely delivered to the  
15 appropriate assessor, a late application may be filed directly with  
16 the March board of review before its final adjournment by  
17 submitting the statement prescribed in this section. The board of  
18 review shall not accept a filing after adjournment of its March  
19 meeting. An appeal of a denial by the March board of review may be  
20 made by filing a petition with the Michigan tax tribunal within 35  
21 days of the denial notice.

22 (f) By not later than April 1, the assessor shall transmit to  
23 the department of treasury the information contained in the  
24 statement filed under this section and other parcel information  
25 required by the department of treasury in the form and manner  
26 prescribed by the department of treasury.

27 (g) An exemption under this section applies only to the tax  
28 year in which the statement is filed. There is no requirement for  
29 the owner to file any subsequent notice or rescission for qualified



1 heavy equipment rental personal property no longer in this state or  
2 at the qualified rental business location to the assessor or  
3 department of treasury. Qualified heavy equipment rental personal  
4 property listed as exempt on an assessment roll for a given tax  
5 year must not automatically be listed as exempt on the assessment  
6 roll for the next tax year.

7 (3) Qualified heavy equipment rental personal property is  
8 exempt under this section from the collection of taxes under this  
9 act only if the qualified heavy equipment rental personal property  
10 is located in this state on tax day and 1 of the following  
11 conditions is satisfied:

12 (a) The qualified heavy equipment rental personal property is  
13 permanently labeled with the name of the qualified renter and the  
14 qualified rental business location. This labeling requirement does  
15 not apply to attachments or ancillary equipment otherwise labeled  
16 in a way that identifies its owner, including, but not limited to,  
17 attachments or ancillary equipment labeled with a unique  
18 identification number.

19 (b) The qualified heavy equipment rental personal property is  
20 permanently labeled with the name of the qualified renter, and the  
21 qualified renter's annual claim of exemption filed under subsection  
22 (2) identifies the physical location of the qualified heavy  
23 equipment rental personal property on tax day. The labeling  
24 requirement provided for in this subdivision does not apply to  
25 attachments or ancillary equipment otherwise labeled in a way that  
26 identifies its owner, including, but not limited to, attachments or  
27 ancillary equipment labeled with a unique identification number.

28 (4) If the assessor of the township or city believes that  
29 personal property for which the form claiming an exemption is



1 timely filed under subsection (2) (e) is not qualified heavy  
2 equipment rental personal property or the form filed was  
3 incomplete, the assessor may deny that claim for exemption by  
4 notifying the person that filed the form in writing of the reason  
5 for the denial and advising the person that the denial must be  
6 appealed to the board of review under section 30 by filing a  
7 statement as prescribed under subsection (2). If the denial is  
8 issued after the first meeting of the March board of review that  
9 follows the organizational meeting, the appeal of the denial is  
10 either to the March board of review or the Michigan tax tribunal by  
11 filing a petition and a statement as prescribed under subsection  
12 (2) within 35 days of the denial notice. If the assessor denies a  
13 claim for exemption, the assessor shall remove the exemption of  
14 that personal property and amend the tax roll to reflect the denial  
15 and the local treasurer shall within 30 days of the date of the  
16 denial issue a corrected tax bill for any additional taxes.

17 (5) A person claiming an exemption for qualified heavy  
18 equipment rental personal property exempt under this section shall  
19 maintain books and records and shall provide access to those books  
20 and records as provided in section 22.

21 (6) If a person fraudulently claims an exemption for personal  
22 property under this section, that person is subject to the  
23 penalties provided for in section 21(2).

24 (7) All qualified heavy equipment rental personal property  
25 located at a qualified renter business location that has claimed an  
26 exemption in any given year under this section is not eligible to  
27 be exempt from the collection of taxes under this act under section  
28 9m, 9n, or 9o.

29 (8) As used in this section:



1 (a) "Affiliate" means a person that directly or indirectly  
2 owns or controls, is owned or controlled by, or is under common  
3 ownership or control with, another person.

4 (b) "Attachments or ancillary equipment" means items that can  
5 be attached to, or used in conjunction with, heavy equipment,  
6 including, but not limited to, fittings, hoses, cabling, ducts,  
7 wiring, chains, hoists, portable power or air equipment, monitoring  
8 equipment, fluid containers, buckets, demolition hammers, grapple  
9 forks, trenchers, planers, and augers.

10 (c) "Control" means direct or indirect possession of the power  
11 to direct or cause the direction of the management and policies of  
12 a person, whether through the ownership of voting securities, by  
13 contract, or otherwise.

14 (d) "Own" or "ownership" means to have ownership of an equity  
15 interest, or the equivalent, of 10% or more in a person.

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

19 (f) "Qualified heavy equipment rental personal property" means  
20 any construction, earthmoving, or industrial equipment that is  
21 mobile and rented to customers by a qualified renter, including  
22 attachments or other ancillary equipment for that equipment.  
23 Qualified heavy equipment rental personal property does not include  
24 handheld tools or equipment solely designed for industry-specific  
25 uses in oil and gas exploration, mining, or forestry. For purposes  
26 of this subdivision, equipment is mobile if it is not intended to  
27 be permanently affixed to real property for its intended use and  
28 can be moved among worksites. Qualified heavy equipment rental  
29 personal property includes, but is not limited to, any of the



1 following:

2 (i) A self-propelled vehicle that is not designed to be driven  
3 on the highway.

4 (ii) Industrial electrical generation equipment.

5 (iii) Industrial lift equipment.

6 (iv) Industrial material handling equipment.

7 (v) Industrial portable heating, ventilation, and air  
8 conditioning equipment.

9 (vi) Industrial compressors, generators, or pumps.

10 (vii) Equipment used in shoring, shielding, and ground  
11 trenching.

12 (viii) Equipment or vehicles not subject to titling under the  
13 Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

14 (ix) Portable containers or office trailers.

15 (x) Equipment used to support a construction or industrial  
16 jobsite.

17 (g) "Qualified renter" means a person that meets all of the  
18 following:

19 (i) Is engaged in a line of business described in Code 532412  
20 or 532310 of the North American Industry Classification System  
21 published by the United States Census Bureau, 2017 edition.

22 (ii) Maintains in this state a qualified renter business  
23 location.

24 (iii) Receives more than 50% of its annual gross receipts from  
25 the rental of qualified heavy equipment rental personal property to  
26 the public or has an affiliate that receives more than 50% of the  
27 affiliate's annual gross receipts from the rental of qualified  
28 heavy equipment rental personal property to the public.



1           (h) "Qualified renter business location" means the location  
2 within a local assessing unit where qualified heavy equipment  
3 rental personal property for which an exemption is claimed under  
4 this section is kept when it is not rented to a customer.

5           (i) "Rent" or "rental" means entering into an agreement for  
6 the use of property in exchange for consideration for a term of  
7 less than 365 consecutive days, or under an open-ended contract.

8           Enacting section 1. This amendatory act does not take effect  
9 unless House Bill No. 4833 of the 101st Legislature is enacted into  
10 law.