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PERSONAL PROPERTY LIST: ELECTRONIC FILING

House Bill 5211 as introduced
First Analysis (10-25-01)

Sponsor: Rep. Steve Vear
First Committee: Commerce
Second Committee: Tax Policy

THE APPARENT PROBLEM:

Under the General Property Tax Act, businesses must file a written statement each year to the local supervisor or assessor listing the personal property that they own in that jurisdiction or are holding for the use of another. The act says the statement must be made and signed "manually or by facsimile". Tax specialists point out that the computer software exists to allow such statements to be filed electronically (via computer terminal), which would be a convenience for many businesses and local tax collecting units. The recommendation to specifically permit this was one of many recommendations made to the Subcommittee on Tax Simplification of the House Tax Policy Committee during its hearings last summer, according to committee staff.

THE CONTENT OF THE BILL:

The bill would amend the General Property Tax Act so that a local unit could allow personal property tax statements to be filed electronically.

(Section 18 of the act says, "The supervisor or other assessing officer shall require any person who he or she believes has personal property in their possession to make and sign, manually or by facsimile, a written statement of all the personal property of that person whether owned by that person or held for the use of another". Section 19 says that the written statement must be in a form prescribed by the state tax commission and makes due by February 20 of each year.)

MCL 211.19

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that the bill would have no direct state fiscal impact. There could be a small cost to a local unit from implementing a system to allow electronic filing. (HFA fiscal note dated 10-22-01)

ARGUMENTS:

For:

It makes sense, given today's technology, to allow business taxpayers to file their property tax statements electronically (i.e., via computer). But the law does not specifically allow for that at present. The bill would be permissive: local units could decide if they wanted to allow the electronic transmission of the statements and, if they did, taxpayers could decide if they wanted to make use of that medium. This would be a convenience to taxpayers and tax administrators

POSITIONS:

The Department of Treasury supports the bill. (10-24-01)

The Michigan Townships Association supports the bill. (10-24-01)

The Michigan Manufacturer's Association supports the bill. (10-24-01)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.