



**House
Legislative
Analysis
Section**

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**PERSONAL PROPERTY LIST:
ELECTRONIC FILING**

**House Bill 5211 as enrolled
Public Act 267 of 2002
Second Analysis (8-5-02)**

**Sponsor: Rep. Steve Vear
First House Committee: Commerce
Second House Committee: Tax Policy
Senate Committee: Finance**

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 Section 19 of the General Property Tax Act so that a local tax collecting unit could allow personal property tax statements to be filed electronically. A local unit could also allow for the electronic filing of a statement of real property (in those cases in which such a statement is considered necessary).

If a local unit provided for electronic filing, the filing format would be as prescribed by the State Tax Commission, which could only prescribe one format for each kind of statement.

The bill would also repeal Section 18 and Section 20 of the act and place revised versions of those provisions into Section 19. With the enactment of the bill, signatures on personal and real property tax statements could be made manually, by facsimile, or electronically (depending on how the statement was submitted). An electronic or facsimile signature would have to be accepted by a local tax collecting unit using a procedure prescribed by the State Tax Commission.

(The provisions from Section 18 require the local supervisor or other assessing officer to "ascertain the taxable property" in the district and to require the submission of written personal property tax statements. He or she can also require the submission of a written statement of real property if considered necessary. The provisions from Section 20 deal with the signatures on the statements.)

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.

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.