

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5211 (Substitute S-2 as reported)
Sponsor: Representative Steve Vear
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 3-13-02

RATIONALE

The General Property Tax Act provides for the assessment of, and collection of taxes levied on, personal property owned or held within a taxing unit, as well as real property. Under the Act, a supervisor or other assessing officer must require any person whom the supervisor or assessing officer believes has personal property in his or her possession, to make and sign, manually or by facsimile, a written statement of the personal property. The Act also allows a supervisor, assessing officer, county tax or equalization department, or the State Tax Commission to require a person to file a statement of real property assessable to the person. It has been pointed out that, due to developments in technology, various types of taxes now may be filed by electronic means. Some people believe the Act also should allow the electronic filing of real and personal property statements.

CONTENT

The bill would amend the General Property Tax Act to allow a local tax collecting unit to provide for the electronic filing of real or personal property statements (statements of real property assessable to a person or personal property owned by a person). If a local tax collecting unit provided for electronic filing, the filing format would have to be prescribed by the State Tax Commission. The State Tax Commission could not prescribe more than one format for the electronic filing of a real property statement, or more than one format for the electronic filing of a personal property statement.

The bill would repeal Section 18 and Section 20 of the Act, and recodify the provisions of those sections within Section 19 (the section

that the bill would amend). Section 18 requires a local supervisor or other assessing officer to determine the taxable value of the property in his or her district, and to whom it should be assessed; and provides for the filing of real and personal property statements. Section 20 contains provisions pertaining to manual or facsimile signatures on real or personal property statements.

In addition, Section 20 provides that a facsimile signature does not satisfy the filing requirements unless the person has filed with the State Tax Commission for tax year a signed declaration, under oath, on a form prescribed by the Commission. The bill would require a local tax collecting unit to accept an electronic or facsimile signature using a procedure prescribed by the Commissioner.

MCL 211.19 et al.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The General Property Tax Act does not specifically allow taxpayers to file property statements in an electronic format. Originally, these statements had to be filed in written form. Later, the statements were allowed to be filed by facsimile. The bill would recognize technological developments that allow for the transmission of documents by electronic means from one computer to another. This technology is now in use at both the State and Federal levels, which allow electronic filing of income tax forms. The bill would be entirely

permissive. Local units could decide if they wanted to allow electronic filing and, if it were permitted, taxpayers would have the option to file electronically or, as is currently allowed, manually or by facsimile. This would be convenient for both taxing units and taxpayers.

Legislative Analyst: George Towne

FISCAL IMPACT

This bill would have no fiscal impact on State government. Local governments that decided to allow taxpayers to file their personal or real property statement electronically could incur costs related to establishing and implementing such a filing system, but the costs would probably be very minimal.

Fiscal Analyst: Jay Wortley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.