

SUBSTITUTE FOR
SENATE BILL NO. 865

A bill to amend 1953 PA 189, entitled
"An act to provide for the taxation of lessees and users of
tax-exempt property,"

(MCL 211.181 to 211.182) by adding section 1a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1a. (1) For taxes levied after December 31, 2003,
2 except as otherwise provided in subsection (2), real and personal
3 property of a qualified start-up business is exempt from the tax
4 levied under this act for 5 years beginning on the December 31 in
5 the year in which the qualified start-up business first claimed
6 the credit under section 31a of the single business tax act, 1975
7 PA 228, MCL 208.31a, or section 51f of the income tax act of
8 1967, 1967 PA 281, MCL 206.51f.

9 (2) Real and personal property of a qualified start-up
10 business is not exempt from collection of the following:

11 (a) A special assessment levied by the local tax collecting

1 unit in which the property is located.

2 (b) Ad valorem property taxes specifically levied for the
3 payment of principal and interest of obligations approved by the
4 electors or obligations pledging the unlimited taxing power of
5 the local governmental unit.

6 (c) A tax levied under section 705 or 1212 of the revised
7 school code, 1976 PA 451, MCL 380.705 and 380.1212.

8 (3) A qualified start-up business may claim the exemption
9 under subsection (1) by filing an affidavit claiming the
10 exemption with the assessor of the local tax collecting unit.
11 The affidavit shall be in a form prescribed by the state tax
12 commission.

13 (4) As used in this section, "qualified start-up business"
14 means that term as defined in section 31a of the single business
15 tax act, 1975 PA 228, MCL 208.31a.