

SENATE BILL No. 1305

June 16, 2004, Introduced by Senator BERNERO and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

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, 2004,
2 except as otherwise provided in subsection (3), upon application
3 for an exemption under this section by a qualified start-up
4 business, the governing body of a local tax collecting unit may
5 adopt a resolution to exempt from the collection of taxes under
6 this act all real and personal property of that qualified
7 start-up business. The clerk of the local tax collecting unit
8 shall notify in writing the assessor of the local tax collecting
9 unit and the legislative body of each taxing unit that levies ad
10 valorem property taxes in the local tax collecting unit. Before
11 acting on the resolution, the governing body of the local tax

1 collecting unit shall afford the assessor and a representative of
2 the affected taxing units an opportunity for a hearing. A copy
3 of the resolution shall be filed with the state tax commission.
4 The application for exemption under this section shall be in a
5 form prescribed by the state tax commission.

6 (2) If a resolution authorizing the exemption is adopted as
7 provided in subsection (1), the exemption is effective for 5
8 consecutive years beginning on the December 31 in the year in
9 which the qualified start-up business first claimed the credit
10 under section 31a of the single business tax act, 1975 PA 228,
11 MCL 208.31a, or section 51f of the income tax act of 1967, 1967
12 PA 281, MCL 206.51f, or the year in which the resolution is
13 adopted under subsection (1), whichever is later.

14 (3) Real and personal property of a qualified start-up
15 business is not exempt from collection of the following:

16 (a) A special assessment levied by the local tax collecting
17 unit in which the property is located.

18 (b) Ad valorem property taxes specifically levied for the
19 payment of principal and interest of obligations approved by the
20 electors or obligations pledging the unlimited taxing power of
21 the local governmental unit.

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

24 (4) A qualified start-up business may claim the exemption
25 under subsection (1) by filing an affidavit claiming the
26 exemption with the assessor of the local tax collecting unit.
27 The affidavit shall be in a form prescribed by the state tax

1 commission.

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