

SENATE BILL No. 572

September 14, 2017, Introduced by Senator ROBERTSON and referred to the Committee on Finance.

A bill to amend 2014 PA 93, entitled
"Alternative state essential services assessment act,"
by amending section 7 (MCL 211.1077), as amended by 2016 PA 109.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) The department shall collect and administer the
2 alternative state essential services assessment as provided in this
3 section.

4 (2) Not later than May 1 in each assessment year, the
5 department shall make available in electronic form to each eligible
6 claimant a statement for calculation of the assessment as provided
7 in section 5. That statement shall be developed from the
8 information submitted by the eligible claimant on the combined
9 document as required by sections 9m and 9n of the general property
10 tax act, 1893 PA 206, MCL 211.9m and 211.9n.

1 (3) Not later than August 15 in each assessment year, each
2 eligible claimant shall electronically revise as necessary and
3 certify the completed statement and make full payment of the
4 assessment levied under section 5 for that assessment year as
5 calculated in section 5(2). The department may waive or delay the
6 electronic certification requirement at its discretion. The
7 department may accept a timely filed statement that calculates the
8 tax under this act that is transmitted and certified using
9 reporting software approved by the department, subject to audit
10 under subsection (6). A statement certified by an eligible claimant
11 shall include all of the eligible claimant's eligible personal
12 property located in this state subject to the assessment levied
13 under section 5. The statement required under this subsection shall
14 not be subject to disclosure under the freedom of information act,
15 1976 PA 442, MCL 15.231 to 15.246.

16 (4) If an eligible claimant does not certify the statement and
17 full payment of the assessment levied under section 5 by August 15,
18 the department shall issue a notice to the eligible claimant not
19 later than September 15. The notice shall include a statement
20 explaining the consequences of nonpayment as set forth in
21 subsection (5) and instructing the eligible claimant of its
22 potential responsibility under subsection (5)(e). An eligible
23 claimant shall submit payment in full by October 15 of the
24 assessment year along with a penalty of 1% per week on the unpaid
25 balance for each week payment is not made in full up to a maximum
26 of 5% of the total amount due and unpaid. For the eligible
27 claimant's first assessment year, the penalty shall be waived if

1 the eligible claimant certifies the statement and makes full
2 payment of the assessment levied under section 5 by September 15.
3 An eligible claimant may amend a certified statement for the
4 current year up to September 15. Payments made due to an amended
5 statement are subject to the penalties as described in this
6 subsection. The department shall issue refunds for overpayments due
7 to an amended statement. All refunds due to overpayment shall be
8 remitted without interest except as provided by section 37 of the
9 tax tribunal act, 1973 PA 186, MCL 205.737.

10 (5) For any assessment year in which an eligible claimant does
11 not submit payment in full and any penalty due under subsection (4)
12 or (6) by October 15, or if the department discovers that the
13 property is not eligible under section 9m or 9n of the general
14 property tax act, 1893 PA 206, MCL 211.9m and 211.9n, all of the
15 following shall apply:

16 (a) The department shall issue an order to rescind no later
17 than the first Monday in December for the assessment year any
18 exemption described in section 9m or 9n of the general property tax
19 act, 1893 PA 206, MCL 211.9m and 211.9n, granted for any parcel for
20 which payment in full and any penalty due have not been received or
21 for which the department discovers that the property is not
22 eligible under section 9m or 9n of the general property tax act,
23 1893 PA 206, MCL 211.9m and 211.9n.

24 (b) Upon the request of the department, the state tax
25 commission shall issue an order to rescind no later than the first
26 Monday in December for the assessment year any exemption under
27 section 9f of the general property tax act, 1893 PA 206, MCL

1 211.9f, which exemption was approved under section 9f of the
2 general property tax act, 1893 PA 206, MCL 211.9f, after 2013 for
3 any parcel for which payment in full and any penalty due have not
4 been received or for which the state tax commission discovers that
5 the property is not eligible personal property.

6 (c) Upon the request of the department, the state tax
7 commission shall issue an order to rescind no later than the first
8 Monday in December for the assessment year any exemption for
9 eligible personal property subject to an extended industrial
10 facilities exemption certificate under section 11a of 1974 PA 198,
11 MCL 207.561a, for any parcel for which payment in full and any
12 penalty due have not been received or for which the department
13 discovers that the property is not eligible personal property.

14 (d) Upon the request of the department, the state tax
15 commission shall issue an order to rescind no later than the first
16 Monday in December for the assessment year any extended exemption
17 for eligible personal property under section 9f(8)(a) of the
18 general property tax act, 1893 PA 206, MCL 211.9f, for any parcel
19 for which payment in full and any penalty due have not been
20 received or for which the department discovers that the property is
21 not eligible personal property.

22 (e) The eligible claimant shall file with the assessor of the
23 township or city within 30 days of the date of the rescission
24 issued under subdivisions (a) to (d) a statement under section 19
25 of the general property tax act, 1893 PA 206, MCL 211.19, for all
26 property for which the exemption has been rescinded under this
27 section.

1 (f) Within 60 days of a rescission under subdivisions (a) to
2 (d), the treasurer of the local tax collecting unit shall issue
3 amended tax bills for any taxes, including penalty and interest,
4 that were not billed under the general property tax act, 1893 PA
5 206, MCL 211.1 to 211.155, or under 1974 PA 198, MCL 207.551 to
6 207.572, and that are owed as a result of the rescission.

7 (6) An eligible claimant shall provide access to the books and
8 records, for audit purposes, relating to the location and
9 description; the date of purchase, lease, or acquisition; and the
10 purchase price, lease amount, or value of all personal property
11 owned by, leased by, or in the possession of that person or a
12 related entity if requested by the assessor of the township or
13 city, county equalization department, or department for the year in
14 which the statement is filed and the immediately preceding 3 years.
15 The department shall develop and implement an audit program which
16 includes, but is not limited to, the audit of statements submitted
17 under subsection (3) and amended statements submitted under
18 subsection (4) for the current calendar year and the 3 calendar
19 years immediately preceding the commencement of an audit. An
20 assessment as a result of an audit shall be paid in full within 35
21 days of issuance and shall include penalties and interest as
22 described in section 154(3) of the general property tax act, 1893
23 PA 206, MCL 211.154. Refunds as a result of an audit under this
24 subsection shall be without interest. The exemption for personal
25 property for which an assessment has been issued as a result of an
26 audit under this subsection shall be subject to the rescission
27 provisions of subsection (5) for the years of the assessment if

1 full payment is not timely made as required by this subsection.

2 (7) An eligible claimant may appeal an assessment levied under
3 section 5 or a penalty or rescission under this section to the
4 Michigan tax tribunal by filing a petition not later than December
5 31 in that tax year. An eligible claimant may appeal an assessment
6 issued, including penalties, interest, or rescission, as a result
7 of an audit conducted under subsection (6) by filing a petition
8 with the Michigan tax tribunal within 35 days of the date of that
9 assessment's issuance. The department may appeal to the Michigan
10 tax tribunal by filing a petition for the current calendar year and
11 3 immediately preceding calendar years.

12 (8) The department may require eligible claimants to annually
13 file by ~~February 20 each year~~ **THE DATES REQUIRED UNDER THE GENERAL**
14 **PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.55**, a combined
15 document that includes the form to claim the exemption under
16 sections 9f(9), 9m, and 9n of the general property tax act, 1893 PA
17 206, MCL 211.9f, 211.9m, and 211.9n, and under section 11a of 1974
18 PA 198, MCL 207.561a, a report of the fair market value and year of
19 acquisition by the first owner of eligible personal property, and
20 for any year before 2023, a statement under section 19 of the
21 general property tax act, 1893 PA 206, MCL 211.19. All of the
22 following apply to the filing of a combined document under this
23 subsection:

24 (a) The combined document shall be in a form prescribed by the
25 department.

26 (b) As provided in sections 9m and 9n of the general property
27 tax act, 1893 PA 206, MCL 211.9m and 211.9n, leasing companies are

1 not eligible to receive the exemption for qualified new personal
2 property and qualified previously existing personal property and
3 may not use the combined document prescribed in this section. With
4 respect to personal property that is the subject of a lease
5 agreement, regardless of whether the agreement constitutes a lease
6 for financial or tax purposes, all of the following apply:

7 (i) If the personal property is eligible manufacturing
8 personal property, the lessee and lessor may elect that the lessee
9 report the leased personal property on the combined document.

10 (ii) An election made by the lessor and the lessee under this
11 subdivision shall be made in a form and manner approved by the
12 department.

13 (iii) Absent an election, the personal property shall be
14 reported by the lessor on the personal property statement unless
15 the exemption for eligible manufacturing personal property is
16 claimed by the lessee on the combined document.

17 (c) For eligible personal property exempt under the Michigan
18 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, an
19 eligible claimant shall report the fair market value of that
20 personal property at the time of acquisition by the first owner,
21 including the cost of freight, sales tax, installation, and other
22 capitalized costs, except capitalized interest.

23 (d) The combined document shall be filed with the assessor of
24 the township or city in which the eligible personal property is
25 located.

26 (e) The assessor shall transmit the information contained in
27 the combined document filed under this subsection, and other parcel

1 information required by the department, to the department in the
2 form and in the manner prescribed by the department no later than
3 April 1.

4 Enacting section 1. This amendatory act takes effect December
5 31, 2017.

6 Enacting section 2. This amendatory act does not take effect
7 unless Senate Bill No. 570

8 of the 99th Legislature is enacted into law.