

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4834

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 9p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9p. (1) Beginning December 31, 2022 and each year
2 thereafter, qualified heavy equipment rental personal property for
3 which an exemption has been properly claimed under subsection (2)
4 is exempt from the collection of taxes under this act.
5 (2) A qualified renter shall claim the exemption under this
6 section annually by filing each year with the local assessing unit
7 in which is located the qualified renter business location a
8 statement that includes the form to claim the exemption under this
9 section and a statement of all qualified heavy equipment rental

1 personal property located at and rented from the qualified renter
2 business location. Qualified heavy equipment rental personal
3 property rented from the qualified renter business location is not
4 assessable at its location on tax day. The exemption claimed under
5 this section applies to all qualified heavy equipment rental
6 personal property located at and rented from a qualified renter
7 business location. All of the following apply to a claim of the
8 exemption under this section:

9 (a) The statement must be filed in a form and manner
10 prescribed by the department of treasury.

11 (b) The statement must list the addresses of the qualified
12 renter and must identify each item of qualified heavy equipment
13 rental personal property located at and rented from the qualified
14 renter business location.

15 (c) The statement filed for 2023, or filed for 2024 by a
16 qualified renter that did not claim an exemption under this section
17 for 2023, must include the amount of ad valorem property tax levied
18 in this state in 2020, 2021, and 2022 on qualified heavy equipment
19 rental personal property owned by the qualified renter and, for the
20 qualified heavy equipment rental personal property either for which
21 ad valorem property tax was paid for 2020, 2021, or 2022 or that
22 was acquired or brought into this state during 2020, 2021, or 2022
23 by a qualified renter and rented from a qualified renter business
24 location, the qualified renter's liability under the tax levied
25 under the qualified heavy equipment rental personal property
26 specific tax act for 2020, 2021, and 2022 if that tax had been in
27 effect for those years. A qualified renter shall provide
28 documentation of both amounts as required by the department of
29 treasury. The department of treasury may audit the documentation

1 submitted.

2 (d) All information regarding the claim for the exemption must
3 be considered taxpayer confidential information whether in the
4 possession of the department of treasury or the local assessing
5 unit and is not subject to disclosure under the freedom of
6 information act, 1976 PA 442, MCL 15.231 to 15.246. This
7 subdivision does not prohibit the department of treasury from
8 sharing, as needed, information regarding a claim for the exemption
9 under this section with local assessors.

10 (e) By not later than February 20, the statement prescribed in
11 this section must be completed and delivered to the assessor of the
12 township or city in which is located the qualified renter business
13 location. However, if February 20 of a year is a Saturday, Sunday,
14 or legal holiday, the delivery deadline for that year is the next
15 day that is not a Saturday, Sunday, or legal holiday. For purposes
16 of a statement delivered by the United States Postal Service, the
17 delivery is timely if the postmark date is on or before the
18 delivery deadline prescribed in this subdivision. If the statement
19 prescribed in this section is not timely delivered to the
20 appropriate assessor, a late application may be filed directly with
21 the March board of review before its final adjournment by
22 submitting the statement prescribed in this section. The board of
23 review shall not accept a filing after adjournment of its March
24 meeting. An appeal of a denial by the March board of review may be
25 made by filing a petition with the Michigan tax tribunal within 35
26 days of the denial notice.

27 (f) By not later than April 1, the assessor shall transmit to
28 the department of treasury the information contained in the
29 statement filed under this section and other parcel information

1 required by the department of treasury in the form and manner
2 prescribed by the department of treasury.

3 (g) An exemption under this section applies only to the tax
4 year in which the statement is filed. There is no requirement for
5 the owner to file any subsequent notice or rescission for qualified
6 heavy equipment rental personal property no longer in this state or
7 at the qualified rental business location to the assessor or
8 department of treasury. Qualified heavy equipment rental personal
9 property listed as exempt on an assessment roll for a given tax
10 year must not automatically be listed as exempt on the assessment
11 roll for the next tax year.

12 (3) Qualified heavy equipment rental personal property is
13 exempt under this section from the collection of taxes under this
14 act only if the qualified heavy equipment rental personal property
15 is located in this state on tax day and 1 of the following
16 conditions is satisfied:

17 (a) The qualified heavy equipment rental personal property is
18 permanently labeled with the name of the qualified renter and the
19 qualified rental business location. This labeling requirement does
20 not apply to attachments or ancillary equipment otherwise labeled
21 in a way that identifies its owner, including, but not limited to,
22 attachments or ancillary equipment labeled with a unique
23 identification number.

24 (b) The qualified heavy equipment rental personal property is
25 permanently labeled with the name and phone number of the qualified
26 renter, and the qualified renter's annual claim of exemption filed
27 under subsection (2) identifies the physical location of the
28 qualified heavy equipment rental personal property on tax day. The
29 labeling requirement provided for in this subdivision does not

1 apply to attachments or ancillary equipment otherwise labeled in a
2 way that identifies its owner, including, but not limited to,
3 attachments or ancillary equipment labeled with a unique
4 identification number.

5 (4) If the assessor of the township or city believes that
6 personal property for which the form claiming an exemption is
7 timely filed under subsection (2)(e) is not qualified heavy
8 equipment rental personal property or the form filed was
9 incomplete, the assessor may deny that claim for exemption by
10 notifying the person that filed the form in writing of the reason
11 for the denial and advising the person that the denial must be
12 appealed to the board of review under section 30 by filing a
13 statement as prescribed under subsection (2). If the denial is
14 issued after the first meeting of the March board of review that
15 follows the organizational meeting, the appeal of the denial is
16 either to the March board of review or the Michigan tax tribunal by
17 filing a petition and a statement as prescribed under subsection
18 (2) within 35 days of the denial notice. If the assessor denies a
19 claim for exemption, the assessor shall remove the exemption of
20 that personal property and amend the tax roll to reflect the denial
21 and the local treasurer shall within 30 days of the date of the
22 denial issue a corrected tax bill for any additional taxes.

23 (5) A person claiming an exemption for qualified heavy
24 equipment rental personal property exempt under this section shall
25 maintain books and records and shall provide access to those books
26 and records as provided in section 22.

27 (6) If a person fraudulently claims an exemption for personal
28 property under this section, that person is subject to the
29 penalties provided for in section 21(2).

1 (7) All qualified heavy equipment rental personal property
2 located at a qualified renter business location that has claimed an
3 exemption in any given year under this section is not eligible to
4 be exempt from the collection of taxes under this act under section
5 9m, 9n, or 9o.

6 (8) As used in this section:

7 (a) "Affiliate" means a person that directly or indirectly
8 owns or controls, is owned or controlled by, or is under common
9 ownership or control with, another person.

10 (b) "Attachments or ancillary equipment" means items that can
11 be attached to, or used in conjunction with, heavy equipment,
12 including, but not limited to, fittings, hoses, cabling, ducts,
13 wiring, chains, hoists, portable power or air equipment, monitoring
14 equipment, fluid containers, buckets, demolition hammers, grapple
15 forks, trenchers, planers, and augers.

16 (c) "Control" means direct or indirect possession of the power
17 to direct or cause the direction of the management and policies of
18 a person, whether through the ownership of voting securities, by
19 contract, or otherwise.

20 (d) "Own" or "ownership" means to have ownership of an equity
21 interest, or the equivalent, of 10% or more in a person.

22 (e) "Person" means an individual, corporation, limited
23 liability company, partnership, association, or any other legal
24 entity.

25 (f) "Qualified heavy equipment rental personal property" means
26 any construction, earthmoving, or industrial equipment that is
27 mobile and rented to customers by a qualified renter, including
28 attachments or other ancillary equipment for that equipment.
29 Qualified heavy equipment rental personal property does not include

1 handheld tools or equipment solely designed for industry-specific
2 uses in oil and gas exploration, mining, or forestry. For purposes
3 of this subdivision, equipment is mobile if it is not intended to
4 be permanently affixed to real property for its intended use and
5 can be moved among worksites. Qualified heavy equipment rental
6 personal property includes, but is not limited to, any of the
7 following:

8 (i) A self-propelled vehicle that is not designed to be driven
9 on the highway.

10 (ii) Industrial electrical generation equipment.

11 (iii) Industrial lift equipment.

12 (iv) Industrial material handling equipment.

13 (v) Industrial portable heating, ventilation, and air
14 conditioning equipment.

15 (vi) Industrial compressors, generators, or pumps.

16 (vii) Equipment used in shoring, shielding, and ground
17 trenching.

18 (viii) Equipment or vehicles not subject to titling under the
19 Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

20 (ix) Portable containers or office trailers.

21 (x) Equipment used to support a construction or industrial
22 jobsite.

23 (g) "Qualified renter" means a person that meets all of the
24 following:

25 (i) Is engaged in a line of business described in Code 532412
26 or 532310 of the North American Industry Classification System
27 published by the United States Census Bureau, 2017 edition.

28 (ii) Maintains in this state a qualified renter business

1 location.

2 (iii) Receives more than 50% of its annual gross receipts from
3 the rental of qualified heavy equipment rental personal property to
4 the public or has an affiliate that receives more than 50% of the
5 affiliate's annual gross receipts from the rental of qualified
6 heavy equipment rental personal property to the public.

7 (h) "Qualified renter business location" means the location
8 within a local assessing unit where qualified heavy equipment
9 rental personal property for which an exemption is claimed under
10 this section is kept when it is not rented to a customer.

11 (i) "Rent" or "rental" means entering into an agreement for
12 the use of property in exchange for consideration for a term of
13 less than 365 consecutive days, or under an open-ended contract.

14 Enacting section 1. This amendatory act does not take effect
15 unless House Bill No. 4833 of the 101st Legislature is enacted into
16 law.