

# HOUSE BILL NO. 4834

May 12, 2021, Introduced by Reps. Tisdell and Ellison and referred to the Committee on Local Government and Municipal Finance.

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, 2021 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

1 section by filing each year with the local assessing unit in which  
2 is located the qualified renter business location a statement that  
3 includes the form to claim the exemption under this section and a  
4 statement of all qualified heavy equipment rental personal property  
5 for which the exemption is claimed. All of the following apply to a  
6 claim of the exemption under this section:

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

9 (b) The statement must list the addresses of the qualified  
10 renter and must identify each item of qualified heavy equipment  
11 rental personal property for which exemption is claimed.

12 (c) All information regarding the claim for the exemption must  
13 be considered taxpayer confidential information whether in the  
14 possession of the department of treasury or the local assessing  
15 unit and is not subject to disclosure under the freedom of  
16 information act, 1976 PA 442, MCL 15.231 to 15.246. This  
17 subdivision does not prohibit the department of treasury from  
18 sharing, as needed, information regarding a claim for the exemption  
19 under this section with local assessors.

20 (d) By not later than February 20, the statement prescribed in  
21 this section must be completed and delivered to the assessor of the  
22 township or city in which is located the qualified renter business  
23 location. However, if February 20 of a year is a Saturday, Sunday,  
24 or legal holiday, the delivery deadline for that year is the next  
25 day that is not a Saturday, Sunday, or legal holiday. For purposes  
26 of a statement delivered by the United States Postal Service, the  
27 delivery is timely if the postmark date is on or before the  
28 delivery deadline prescribed in this subdivision. If the statement  
29 prescribed in this section is not timely delivered to the

1 appropriate assessor, a late application may be filed directly with  
2 the March board of review before its final adjournment by  
3 submitting the statement prescribed in this section. The board of  
4 review shall not accept a filing after adjournment of its March  
5 meeting. An appeal of a denial by the March board of review may be  
6 made by filing a petition with the Michigan tax tribunal within 35  
7 days of the denial notice.

8 (e) By not later than April 1, the assessor shall transmit to  
9 the department of treasury the information contained in the  
10 statement filed under this section and other parcel information  
11 required by the department of treasury in the form and manner  
12 prescribed by the department of treasury.

13 (f) An owner whose personal property is no longer qualified  
14 heavy equipment rental personal property shall file a rescission by  
15 December 31 of the year that the property is no longer eligible.  
16 The rescission must be filed on a form prescribed by the department  
17 of treasury. Upon receipt of a rescission form, the local assessor  
18 shall immediately remove the exemption. An owner who fails to file  
19 a rescission and whose property is later determined to be  
20 ineligible for the exemption will be subject to repayment of any  
21 additional taxes with interest as described in this subsection.  
22 Upon discovery that the property is no longer qualified heavy  
23 equipment rental personal property, the assessor shall remove the  
24 exemption of that personal property and, if the tax roll is in the  
25 local tax collecting unit's possession, amend the tax roll to  
26 reflect the removal of the exemption, and the local treasurer shall  
27 within 30 days of the date of the discovery issue a corrected tax  
28 bill for any additional taxes with interest at the rate of 1% per  
29 month or fraction of a month and penalties computed from the date

1 the taxes were last payable without interest or penalty. If the tax  
2 roll is in the county treasurer's possession, the tax roll must be  
3 amended to reflect the removal of the exemption and the county  
4 treasurer shall within 30 days of the date of the removal prepare  
5 and submit a supplemental tax bill for any additional taxes,  
6 together with interest at the rate of 1% per month or fraction of a  
7 month and penalties computed from the date the taxes were last  
8 payable without interest or penalty. Interest on any tax set forth  
9 in a corrected or supplemental tax bill again begins to accrue 60  
10 days after the date the corrected or supplemental tax bill is  
11 issued at the rate of 1% per month or fraction of a month. Taxes  
12 levied in a corrected or supplemental tax bill must be returned as  
13 delinquent on the March 1 in the year immediately succeeding the  
14 year in which the corrected or supplemental tax bill is issued.

15 (g) The assessor shall annually transmit every rescission  
16 filed, or the information contained in every rescission filed,  
17 under this section to the department of treasury in the form and in  
18 the manner prescribed by the department of treasury no later than  
19 April 1.

20 (3) Qualified heavy equipment rental personal property is  
21 exempt under this section from the collection of taxes under this  
22 act only if both of the following conditions are satisfied:

23 (a) The qualified heavy equipment rental personal property is  
24 located in this state on tax day.

25 (b) The qualified heavy equipment rental personal property is  
26 permanently labeled with the name of the owner. This labeling  
27 requirement does not apply to attachments or ancillary equipment  
28 otherwise labeled in a way that identifies its owner, including,  
29 but not limited to, attachments or ancillary equipment labeled with

1 a unique identification number.

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

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

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

27 (7) As used in this section:

28 (a) "Affiliate" means a person that directly or indirectly  
29 owns or controls, is owned or controlled by, or is under common

1 ownership or control with, another person.

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

8 (c) "Control" means direct or indirect possession of the power  
9 to direct or cause the direction of the management and policies of  
10 a person, whether through the ownership of voting securities, by  
11 contract, or otherwise.

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

14 (e) "Person" means an individual, corporation, limited  
15 liability company, partnership, association, or any other legal  
16 entity.

17 (f) "Qualified heavy equipment rental personal property" means  
18 any construction, earthmoving, or industrial equipment that is  
19 mobile and rented to customers by a qualified renter, including  
20 attachments or other ancillary equipment for that equipment.  
21 Qualified heavy equipment rental personal property does not include  
22 handheld tools or equipment solely designed for industry-specific  
23 uses in oil and gas exploration, mining, or forestry. For purposes  
24 of this subdivision, equipment is mobile if it is not intended to  
25 be permanently affixed to real property for its intended use and  
26 can be moved among worksites. Qualified heavy equipment rental  
27 personal property includes, but is not limited to, any of the  
28 following:

29 (i) A self-propelled vehicle that is not designed to be driven

1 on the highway.

2 (ii) Industrial electrical generation equipment.

3 (iii) Industrial lift equipment.

4 (iv) Industrial material handling equipment.

5 (v) Industrial portable heating, ventilation, and air  
6 conditioning equipment.

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

8 (vii) Equipment used in shoring, shielding, and ground  
9 trenching.

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

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

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

17 (ii) Maintains in this state a qualified renter business  
18 location.

19 (iii) Receives more than 50% of its annual gross receipts from  
20 the rental of qualified heavy equipment rental personal property to  
21 the public or has an affiliate that receives more than 50% of the  
22 affiliate's annual gross receipts from the rental of qualified  
23 heavy equipment rental personal property to the public.

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

28 (i) "Rent" or "rental" means entering into an agreement for  
29 the use of property in exchange for consideration for a term of

1 **less than 365 consecutive days, or under an open-ended contract.**

2       Enacting section 1. This amendatory act does not take effect  
3 unless Senate Bill No. \_\_\_\_\_ or House Bill No. 4833 (request no.  
4 01234'21) of the 101st Legislature is enacted into law.