

**QUALIFIED HEAVY EQUIPMENT RENTAL PERSONAL PROPERTY SPECIFIC TAX ACT  
(EXCERPT)  
Act 35 of 2022**

**211.1127 Collection and administration of the specific tax; submission of completed statement and payment; notice; penalties; rescission; books and records; appeal process.**

Sec. 7. (1) The department shall collect and administer the tax as provided in this section.

(2) Not later than March 31 each year beginning in 2023, the department shall make available a statement, to be submitted in a form and manner prescribed by the department, for calculating the tax as provided in section 5.

(3) Not later than April 30, July 31, October 31, and January 31 each year, a qualified renter shall submit to the department a completed statement along with full payment of the tax levied and collected under section 5 for the immediately preceding reporting period as calculated under section 5(2). A statement filed by a qualified renter must include the total rental price of all rental transactions for the eligible personal property for the immediately preceding reporting period, a listing of exempt sales, and the total tax collected on or otherwise due with respect to all rental transactions for the eligible personal property for the immediately preceding reporting period. The amounts reported under this section must be reported separately for each qualified renter business location. The statement required under this subsection is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(4) If a qualified renter does not submit a completed statement and full payment of the tax levied under section 5 by the applicable deadline in subsection (3), the department shall issue a notice to the qualified renter within 30 days after that deadline. The notice must include a statement explaining the consequences of nonpayment as described in subsection (5) and instructing the qualified renter of its potential responsibility under subsection (5)(b). A qualified renter shall submit payment in full within 90 days after the issuance of the notice with a penalty of 3% per month calculated from the applicable deadline in subsection (3) on the unpaid balance for each month payment is not made in full. In calculating the penalty, a partial month is considered a whole month and the penalty must not be prorated based on the day of the month the late payment is received. For the qualified renter's first assessment year, the penalty must be waived if the qualified renter submits a completed statement along with full payment of the tax levied under section 5 within 30 days after the issuance of the department's notice. A qualified renter may amend a submitted statement for any of the 3 reporting periods immediately preceding the reporting period in which the amendment is submitted. Payments made due to an amended statement are subject to the penalties described in this subsection. The total penalty on each late payment under this subsection must not exceed 21%. The department shall issue refunds for overpayments due to an amended statement. All refunds due to overpayment must be remitted without interest.

(5) All of the following apply if a qualified renter does not submit payment in full and any penalty due under subsection (4) within 90 days after the issuance of the department's notice under subsection (4), if a qualified renter does not submit payment in full and any penalty due under subsection (6) within 90 days after an audit assessment under subsection (6), or if the department discovers that the property is not eligible for exemption under section 9p of the general property tax act, 1893 PA 206, MCL 211.9p:

(a) The department shall rescind no later than the first Monday in June any exemption described in section 9p of the general property tax act, 1893 PA 206, MCL 211.9p, granted for any property for which payment in full and any penalty due have not been received or for which the department discovers that the property is not eligible under section 9p of the general property tax act, 1893 PA 206, MCL 211.9p.

(b) The person whose exemption was rescinded under subdivision (a) shall file with the assessor of the township or city within 30 days after the date of the rescission issued under subdivision (a) a statement under section 19 of the general property tax act, 1893 PA 206, MCL 211.19, for all property for which the exemption has been rescinded under this section.

(c) Within 60 days after a rescission under subdivision (a), the treasurer of the local tax collecting unit or village shall issue amended tax bills for any taxes, including penalty and interest, that were not billed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, and that are owed as a result of the rescission.

(6) A qualified renter shall provide the department access to all books and records relevant to the department's collection and enforcement of the tax under this act for the current calendar year and the immediately preceding 3 calendar years. The department shall develop and implement an audit program that includes, but is not limited to, the audit of statements submitted under subsection (3) and amended statements submitted under subsection (4) for the current calendar year and the 3 calendar years immediately preceding the commencement of an audit. An assessment as a result of an audit must be paid in full within 90 days after

the date of issuance and must include penalties as described in subsection (4). Refunds as a result of an audit under this subsection must be without interest. The exemption for personal property for which an assessment has been issued as a result of an audit under this subsection is subject to the rescission provisions in subsection (5) for the years of the assessment if full payment is not timely made as required by this subsection.

(7) A qualified renter may appeal the tax levied under section 5 or a penalty or rescission under this section to the Michigan tax tribunal by filing a petition not later than December 31 in that tax year. A qualified renter may appeal an assessment issued, including penalties or rescission, as a result of an audit conducted under subsection (6) by filing a petition with the Michigan tax tribunal within 60 days after the date of that assessment's issuance. The department may appeal to the Michigan tax tribunal by filing a petition for the current calendar year and 3 immediately preceding calendar years.

**History:** 2022, Act 35, Eff. Mar. 23, 2022.