

**ALTERNATIVE STATE ESSENTIAL SERVICES ASSESSMENT ACT (EXCERPT)**  
**Act 93 of 2014**

\*\*\*\*\* 211.1073.new THIS NEW SECTION IS EFFECTIVE WHEN THE CONDITION APPLIED BY  
ENACTING SECTION 1 OF ACT 93 OF 2014 IS MET: See enacting section 1 of Act 93 of 2014 \*\*\*\*\*

**211.1073.new Definitions.**

Sec. 3. As used in this act:

(a) "Acquisition cost" means the fair market value of personal property at the time of acquisition by the current owner, including the cost of freight, sales tax, and installation, and other capitalized costs, except capitalized interest. There is a rebuttable presumption that the acquisition price paid by the current owner for personal property, and any costs of freight, sales tax, and installation, and other capitalized costs, except capitalized interest, reflect the fair market value of the personal property. For personal property exempt under section 9m or 9n of the general property tax act, 1893 PA 206, MCL 211.9m and 211.9n, that would otherwise be exempt under section 7k of the general property tax act, 1893 PA 206, MCL 211.7k, and for personal property subject to an extended industrial facilities exemption certificate under section 11a of 1974 PA 198, MCL 207.561a, acquisition cost means 1/2 of the fair market value of that personal property at the time of acquisition by the current owner. The acquisition cost for personal property exempt under the renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is \$0.00 except for the 3 years immediately preceding the expiration of the exemption of that personal property under the renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, during which period of time the acquisition cost for that personal property means the fair market value of that personal property at the time of acquisition by the current owner multiplied by the percentage reduction in the exemption as provided in section 9(3) of the renaissance zone act, 1996 PA 376, MCL 125.2689. The state tax commission may provide guidelines for circumstances in which the actual acquisition price is not determinative of fair market value and the basis of determining fair market value in those circumstances, including when that property is idle, obsolete, or surplus.

(b) "Assessment" means the alternative state essential services assessment levied under section 5.

(c) "Assessment year" means the year in which the alternative state essential services assessment levied under section 5 is due.

(d) "Eligible claimant" means a person that owns, leases, or is in the possession of eligible personal property.

(e) "Eligible personal property" means personal property exempt from the tax levied under the state essential services assessment act and determined to be subject to the alternative state essential services assessment as provided in section 9 of the state essential services assessment act.

**History:** 2014, Act 93, Eff. (pending).

**Compiler's note:** Enacting section 1 of Act 93 of 2014 provides:

"Enacting section 1. This act does not take effect unless Senate Bill No. 822 of the 97th Legislature is approved by a majority of the qualified electors of this state voting on the question at an election to be held on the August regular election date in 2014."

Enacting section 2 of Act 93 of 2014 provides:

"Enacting section 2. The legislature declares that stable local government funding and a tax system that allows individuals, small businesses, and large businesses to thrive and create jobs in this state are priorities of state government. The legislature also declares that all state priorities should be considered in enacting any legislation that has a fiscal impact and that any costs should be managed in a fiscally responsible way. In furtherance of these objectives, the legislature has reduced the state use tax under section 3 of the use tax act, 1937 PA 94, MCL 205.93, and replaced the portion reduced with a use tax levied by the local community stabilization authority on behalf of local units of government throughout this state to provide more stable funding for local units of government than exists today. It is the intent of the legislature to offset the fiscal impact on the state general fund resulting from the reduction of the state use tax with new revenue generated by the assessment levied under this act and with new revenue resulting from the expiration of over \$630,000,000.00 in expiring refundable tax credits that were awarded to individual businesses under tax laws enacted by past legislatures."