

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.9c Exemption of personal property from tax collection; “heavy earth moving equipment” and “inventory” defined.

Sec. 9c. (1) Personal property that is inventory is exempt from the collection of taxes under this act.

(2) As used in this section:

(a) "Heavy earth moving equipment" means industrial construction equipment that meets all of the following criteria:

(i) Is self-propelled.

(ii) Weighs 10,000 pounds or more.

(iii) Is designed and principally intended to move, transport, or reconfigure dirt, earth, soil, or other construction material at a construction site.

(b) "Inventory" means 1 of the following:

(i) The stock of goods held for resale in the regular course of trade of a retail or wholesale business.

(ii) Finished goods, goods in process, and raw materials of a manufacturing business.

(iii) Materials and supplies, including repair parts and fuel.

(iv) On and after December 31, 2000, heavy earth moving equipment subject to 1 or more lease agreements with the same person totaling not more than 1 year and principally intended for sale rather than lease. A lease agreement used to support this exemption shall be made available to the assessor on request and shall be considered confidential information to be used for assessment purposes only.

(3) Inventory does not include the following:

(a) Before December 31, 2000, any of the following:

(i) Personal property under lease or principally intended for lease rather than sale.

(ii) Personal property allowed a deduction or allowance for depreciation or depletion under the internal revenue code of 1986.

(b) On and after December 31, 2000, any of the following:

(i) Personal property, other than heavy earth moving equipment, under lease or principally intended for lease rather than sale.

(ii) Heavy earth moving equipment subject to 1 or more lease agreements with the same person totaling more than 1 year or principally intended for lease rather than sale.

(iii) Personal property for which a deduction or allowance for depreciation, depletion, or amortization is allowed or has been taken under the internal revenue code of 1986.

History: Add. 1975, Act 234, Imd. Eff. Aug. 27, 1975;—Am. 2000, Act 317, Imd. Eff. Oct. 24, 2000.

Popular name: Act 206