

Personal Property Valued Less than \$80,000

- ✦ Form 5076, Small Business Taxpayer exemption claim **MUST** be filed with the local unit where the personal property is located no later than February 20th (postmark is acceptable).
- ✦ Once the exemption is granted the taxpayer will continue to receive the exemption until they no longer qualify.
- ✦ Once they no longer qualify, the taxpayer is required to file a rescission form and a personal property statement no later than February 20th of the year the property is no longer eligible.
- ✦ Once an exemption is granted for personal property valued at less than \$80,000 taxpayers are not required to file a personal property statement in the year they are claiming the exemption.

Personal Property Valued Greater than or Equal to \$80,000 but less than \$180,000

- ✦ Form 5076, Small Business Property Tax Exemption Claim along with Form 632, Personal Property statement **MUST** be filed **ANNUALLY** with the local unit where the personal property is located no later than February 20th of each year (postmark is acceptable).

Taxpayer Responsibilities

- ✦ Taxpayers should pay particular attention to including contact information, including phone number and email address.
- ✦ MCL 211.9o requires that any taxpayer who is no longer eligible for the exemption file Form 5618 to rescind the exemption. This form along with a personal property statement must be filed no later than February 20th of the year that the property is no longer eligible for the exemption.
- ✦ Taxpayers are required to maintain books and records for four years.

Appeal Rights

- ✦ Owners who timely claim the exemption may appeal a denial of the exemption to the March Board of Review.
- ✦ Late filed forms may be filed directly with the March Board of Review prior to the closure of the March Board.
- ✦ Owners may appeal a denial in the case of a qualified error to the July and December Boards of Review.
- ✦ An appeal of a denial by the March Board of Review may be made by filing a petition with the Michigan Tax Tribunal within 35 days of the denial notice.
- ✦ Taxpayers must contact the local unit directly to determine the March Board of Review dates. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

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MICHIGAN PERSONAL PROPERTY TAX REFORM



Small Business Property Tax Exemption

In order to claim the exemption, Form 5076 must be filed with the local unit (City or Township) where the personal property is located no later than February 20th (postmark is acceptable).

To be eligible, a taxpayer must meet **ALL** the following:

- ✦ The exemption must be properly claimed on Form 5076 and filled out completely. Failure to fill out the form completely can be cause for denial of the exemption.
- ✦ The personal property must be classified as industrial or commercial personal property as defined in MCL 211.34c or would be classified as such if not exempt.
- ✦ The combined true cash value of all industrial or commercial personal property owned by, leased by, or in the possession of the owner or a related entity claiming the exemption is less than \$180,000 in the local tax collecting unit.
- ✦ The property is not leased to or used by a person that previously owned the property, or a person that directly or indirectly controls, is controlled by, or under common control with the person that previously owned the property.
- ✦ Form 5076 requires disclosure of the True Cash Value (TCV) of Personal Property by selecting a check box if less than \$80,000, or if Equal to or greater than \$80,000 and less than \$180,000.

Qualified Heavy Equipment Rental Personal Property Exemption

To claim the exemption, Form 5819 and the spreadsheet must be filed ANNUALLY where the qualified renter business is located and postmarked no later than February 20th each year.

Personal Property Tax Reform

Legislation was passed that significantly changed the taxation of personal property. The Acts exempt personal property from ad valorem taxation through two main provisions: 1) Small Business Taxpayer Exemption (MCL 211.9o) and 2) Eligible Manufacturing Personal Property Exemption (MCL 211.9n). These acts aimed at improving Michigan's business environment, competitiveness, and conditions for job growth and investment.

Table 1
Gradual phase out of EMPP Exemption
Schedule for **Existing** Property

Purchased by first owner in	100% exemption goes into effect
2006	2017
2007	2018
2008	2019
2009	2020
2010	2021
2011	2022
2012	2023

Starting in 2024 it will be necessary for eligible claimants to review each parcel on their ESA statement as Construction in Progress and the most recent year will be null and require entry.

NOTE: Legislative changes enacted in 2014 will require EMPP tax that is exempt locally to be subject to a specific tax known as the Essential Services Assessment per PA 92 of 2014. In an effort to assist taxpayers, please see the State's website at www.michigan.gov/esa for more details

Eligible Manufacturing Personal Property (EMPP) Tax Exemption

In order to claim the exemption, Form 5278, Eligible Manufacturing Personal Property Tax Exemption, must be filed with the local unit (City or Township) where the personal property is located no later than February 20th each year, (postmark is acceptable).

EMPP tax exemption is defined as all industrial and commercial personal property located on a parcel of real property if the personal property is used more than 50% of the time in industrial processing or direct integrated support.

On December 23, 2021, Governor Whitmer signed into law Public Acts 153 through 156, amending the General Property Tax Act of 1893, the State Essential Services Act of 2014 and the Alternative State Essential Services Act of 2014. The Acts change the way that EMPP exemptions are claimed and granted, and ESA statements are generated beginning in 2023.

- ✦ 2023 tax year required Form 5278 be filed to claim the EMPP exemption.
- ✦ 2023 (or any year thereafter) will be used as the basis for future years, any exemption claimed and granted will be carried forward until the exemption is rescinded by the taxpayer, local unit of government, or the State of Michigan.
- ✦ For 2024 tax year, only new filers will need to file the EMPP exemption (Form 5278). The annual file requirement is eliminated and instead will allow the previous year to be carried over to the next year.
- ✦ If the February 20th deadline is missed eligible claimants would be able to file, the Combined Document with the March Board of Review prior to its adjournment.
- ✦ Should a property become ineligible for exemption, taxpayers will be required to file a rescission affidavit (Form 5677) and a personal property statement with the Assessor by February 20th of the year the property is no longer eligible.