Michigan Department of Treasury
2698 (Rev. 07-22)

Reset Form

2023 Idle Equipment, Obsolete Equipment, and Surplus Equipment Report
(as of 12-31-22)

INSTRUCTIONS: Idle, obsolete and surplus equipment may qualify for additional depreciation. Read the instructions on page 2 of this form to determine whether your personal property may qualify for treatment as idle, obsolete or surplus equipment. You may also contact the assessor or the State Tax Commission. If you qualify, you must complete Form 2698 and attach it to your Form 632 (L-4175), *Personal Property Statement*. This schedule is subject to audit. An inspection may be required. Report original total cost of equipment including sales tax, freight and installation. Assets reported on Form 2698 as idle, obsolete or surplus equipment should not be reported in any other section on Form 632 (L-4175), *Personal Property Statement*.

Owner's Name	Doing Business As	
Mailing Address (Street or RR#, City, State, ZIP Code)	Business Location (Street or RR#, City or Township, State, ZIP Code)	
Name of Person to Contact	Telephone Number	Parcel Number

Section A - Including Furniture and Fixtures

			Assessor Calculations
2022		.364	
2021		.320	
2020		.276	
2019		.244	
2018		.212	
2017		.188	
2016		.168	
2015		.148	
2014		.132	
2013		.116	
2012		.108	
2011		.096	
2010		.088	
2009		.076	
2008		.048	
Prior		.048	
TOTALS	**A1**		**A2**

Section B - Including Machinery and Equipment

			Assessor Calculations
2022		.356	
2021		.304	
2020		.268	
2019		.240	
2018		.216	
2017		.196	
2016		.180	
2015		.168	
2014		.152	
2013		.144	
2012		.132	
2011		.124	
2010		.116	
2009		.112	
2008		.092	
Prior		.092	
TOTALS	**B1**		**B2**

Section C - Including Rental Videotapes and Games

			Assessor Calculations
2022		.304	
2021		.212	
2020		.116	
2019		.020	
Prior		.020	
TOTALS	**C1**		**C2**

Section D - Including Office, Electronic, Video and Testing Equipment

			Assessor Calculations
2022		.336	
2021		.256	
2020		.220	
2019		.196	
2018		.176	
2017		.164	
2016		.152	
2015		.140	
2014		.132	
2013		.124	
2012		.116	
2011		.112	
2010		.104	
2009		.100	
2008		.068	
Prior		.068	
TOTALS	**D1**		**D2**

NOTE: This form continues on the reverse side and must be signed by an owner, partner, corporate officer or duly authorized representative.

Section E - Including Consumer Coin Operated Equipment

			Assessor Calculations
2022		.368	
2021		.340	
2020		.308	
2019		.276	
2018		.244	
2017		.216	
2016		.184	
2015		.152	
2014		.120	
2013		.092	
2012		.060	
Prior		.060	
TOTALS	**E1**		**E2**

Section F - Including Computer Equipment

			Assessor Calculations
2022		.240	
2021		.176	
2020		.128	
2019		.096	
2018		.076	
2017		.060	
2016		.032	
Prior		.032	
TOTALS	**F1**		**F2**

<u>Cost Grand Total</u> (For Idle, Obsolete or Surplus Equipment)

Taxpayer: Add totals from the cost columns of Sections A-F (A1-through F1). Enter grand total and carry to line 12a, page 1, of Form 632 (L-4175).

Taxpayer

<u>True Cash Value Grand Total</u> (For Idle, Obsolete or Surplus Equipment)

Assessor: Add True Cash Value totals from Sections A-F (A2 through F2) Enter grand total here and carry to line 12b, page 1, of Form 632 (L-4175).

Assessor

I, _____, hereby attest that, to the best of my knowledge and belief, all of the property listed on this form is **idle equipment** or **obsolete or surplus equipment** as those terms are defined in the instructions below.

Signature	Date	Title (Please print or type)

Must be signed by Owner, Partner, or Corporate Officer or duly appointed representative.

INSTRUCTIONS

This form is for use in reporting **idle equipment** and **obsolete or surplus equipment** as defined in these instructions. For purposes of completing this form, the allocation of personal property to Sections A through F shall be made in accordance with the instructions for completion of Sections A through F of Form 632 (L-4175), *Personal Property Statement*. Both **idle equipment** and **obsolete or surplus equipment** will be reduced by the assessor to 40% of the value obtained by applying the normal State Tax Commission personal property multipliers to original acquisition costs.

Read the following descriptions of **idle equipmen**t and **obsolete or surplus equipment** to determine whether your personal property may qualify to be reported on this form. Only property that would otherwise be reported on Sections A-F of Form 632 (L-4175), may be claimed as idle or obsolete or surplus equipment.

If you have personal property that qualifies, complete this form and file it with Form 632 (L-4175). Assets reported as **idle equipment** or **obsolete or surplus equipment <u>should not</u>** be reported on Sections A through F of Form 632 (L-4175). You must add the totals from Sections A through F (A-1 through F1) and insert this sum in the "Cost Grand Total" box above. This "Cost Grand Total" must be carried to line 12a of the "Summary and Certification" contained on page 1 of Form 632 (L-4175).

Idle Equipment and Obsolete or Surplus Equipment

Idle equipment is equipment that has been disconnected and stored in a separate location. This equipment is not part of an existing process, not even on a standby basis.

Obsolete or surplus equipment is equipment that either:

- Requires rebuilding for continued economic use and is in the possession of a machine rebuilding firm on tax day, or
- Has been declared as surplus by an owner who is abandoning a process or plant and is being disposed of by means of an advertised sale or through an agent. The sale must be an unconditional sale to any and all prospective purchasers rather than being restricted to other divisions of a company.

Equipment cannot qualify as **idle** or **obsolete or surplus** until it has been placed in service. Equipment that is operating on tax day does **<u>not</u>** qualify for treatment as **idle equipment** or **obsolete or surplus equipment**. Standby equipment is not **idle equipment** or **obsolete or surplus equipment**. Standby equipment is equipment that is not usually in use but is ready and immediately on hand for use when needed, e.g., a standby boiler or standby production machines. The allowances for idle or obsolete and surplus equipment are available only in cases where a process has been discontinued or where individual items of property are being liquidated on a piecemeal basis. A process that has been temporarily suspended and/or which is being marketed as a complete process, for continued use at the same location, does not qualify for treatment as idle or obsolete and surplus.

Sometimes equipment, for various reasons, is normally not used throughout the year (e.g., Holiday and seasonal decorations, construction equipment) or is normally used only on an intermittent basis. This type of equipment does **<u>not</u>** qualify for the **idle** or **obsolete or surplus** treatment when it is seasonally or intermittently used.

Sometimes, equipment may be "idle-in-place" because storage in a separate location is not feasible. This might be due to the large size of the equipment involved or the fact that it is underground equipment. Proof should be presented to the assessor that equipment is "idle-in-place."