

# State Tax Commission



## Guide to the Small Business Taxpayer Personal Property Tax Exemption

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# Table of Contents

Introduction .....	2
Definitions .....	2
Claiming the Exemption.....	3
Determining Eligibility .....	5
Rescinding the Exemption .....	8
Audit Program .....	8
Denials, Appeals, Misplaced/Missed Forms, Late Filings, 154 Process.....	9
Recordkeeping .....	11
Contact Information .....	11
Appendix .....	11

## Introduction

In December of 2012, legislation was passed that significantly changed the taxation of personal property. The Acts, as amended, 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 211.9m and MCL 211.9n). The Acts also identified a replacement specific tax on personal property, the Essential Services Assessment (ESA), and reimbursement for local units' lost revenue.

This Guide will focus on detailed information that assessors and taxpayers need to know regarding the Small Business Taxpayer Exemption. Information regarding the Eligible Manufacturing Personal Property Exemption can be found in the *Guide to Eligible Manufacturing Personal Property Tax Exemption and ESA* available on the State Tax Commission website at [www.michigan.gov/statetaxcommission](http://www.michigan.gov/statetaxcommission).

## Definitions

### Eligible Personal Property:

1. Is industrial personal property or commercial personal property.
2. The combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of the person claiming an exemption under this section or a related entity on December 31 of the immediately preceding year is less than \$180,000.00.
3. 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 is under common control with the person that previously owned the property.

**Industrial personal property** is defined in MCL 211.34c as:

1. All machinery and equipment, furniture and fixtures, and dies on industrial parcels, and inventories not exempt by law.
2. Personal property of mining companies.

**Commercial personal property** is defined in MCL 211.34c as:

1. All equipment, furniture, and fixtures on commercial parcels, and inventories not exempt by law.
2. All outdoor advertising signs and billboards.
3. Well drilling rigs and other equipment attached to a transporting vehicle but not designed for operation while the vehicle is moving on the highway.

4. Unlicensed commercial vehicles or commercial vehicles licensed as special mobile equipment or by temporary permits.

**True Cash Value** is defined in MCL 211.27 as: the usual selling price at the place where the property to which the term is applied is at the time of assessment, being the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale.

**Related Entity** means a person that directly or indirectly, controls, is controlled by or is under the common control with the person claiming the exemption.

**Person** means an individual, partnership, corporation, association, limited liability company, or other legal entity.

**Control, Controlled By, and Under Common Control with** means the possession of the power to direct or cause the direction of the management and policies of a related entity, directly or indirectly, whether derived from a management position, official office, or corporate office held by an individual; by an ownership interest, beneficial interest, or equitable interest; or by contractual agreement or other similar arrangement. There is a rebuttable presumption that control exists if any person, directly or indirectly, owns, controls, or holds the power to vote, directly or by proxy, 10% or more of the ownership interest of any other person or has contributed more than 10% of the capital of the other person. Indirect ownership includes ownership through attribution or through one or more intermediary entities.

## Claiming the Exemption

To claim the exemption a taxpayer must file Form 5076 *Small Business Property Tax Exemption Claim Under MCL 211.9o* with the local tax collecting unit in which the eligible personal property is located not later than February 20 of the first year the exemption is claimed or, if February 20 of the first year the exemption is claimed is a Saturday, Sunday, or legal holiday, not later than the next day that is not a Saturday, Sunday, or legal holiday. The burden of proof remains with the taxpayer to demonstrate postmark by February 20.

**Assessors are no longer required to annually send a personal property statement by January 10 to any taxpayer who has properly claimed the exemption in a prior year.**

A taxpayer may not file for both the Small Business Taxpayer Exemption (Form 5076) and the Eligible Manufacturing Personal Property Tax Exemption (Form 5278) in the same year for the same personal property. A taxpayer is exempt under one provision or the other but not both.

Form 5076 must be filled out in its entirety. The STC strongly recommends that assessors contact taxpayers who have not fully completed Form 5076 to obtain the missing information before issuing a denial.

## **Fraudulent Claims**

Any claim for the exemption that is determined to be fraudulent is subject to the following under MCL 211.21(2):

If a person fraudulently claims an exemption for personal property under section 9m, 9n, or 9o, that person is guilty of a misdemeanor punishable by imprisonment in the county jail for not less than 30 days or more than 6 months or by a fine of not less than \$500.00 or more than \$2,500.00, or both. If the assessor for the local tax collecting unit is satisfied that a person is liable under this subsection, he or she shall report the case to the prosecuting attorney of the county in which the personal property is located.

## **Personal Property Valued Less than \$80,000**

To claim an exemption for personal property valued less than \$80,000, Form 5076 must be filed with the local unit (City or Township) where the personal property is located no later than February 20 (postmark is acceptable).

Once the exemption is granted for personal property valued at less than \$80,000, the taxpayer will continue to receive the exemption until they no longer qualify for the exemption. Once they no longer qualify, the taxpayer is required to file a rescission form and a personal property statement no later than February 20 of the year that the property is no longer eligible.

## **Personal Property Valued Greater than or Equal to \$80,000 but Less than \$180,000**

For the 2023 tax year, to claim an exemption for personal property valued at \$80,000 or more but less than \$180,000, Form 5076 must be filed with the local unit (City or Township) where the personal property is located no later than February 21, 2023, (postmark is acceptable) with a completed Form 632 Personal Property Statement as an attachment to Form 5076 to verify the total true cash value and assist in identifying what assets are located in the local unit.

## **Review of Form 5076**

Form 5076 must be filed by the taxpayer or the taxpayer's authorized representative. The Form begins with general taxpayer information including name and address of the taxpayer and name of the local unit where the personal property is located.

Taxpayers must also list all addresses where personal property is located within the township or city, as well as names of all other businesses having personal property at the locations included in the Form. This is very important because of the following eligibility requirement:

The combined true cash value of all industrial personal property and 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

Assessors should review prior year personal property tax information as well as notes from prior year personal property canvass to ensure that taxpayers are reporting all locations where they own, lease, or are in possession of personal property within that local tax collecting unit.

Taxpayers must also provide any assumed names, a description of the business activity, the date the business began in the local tax collecting unit, and the contact information for the person in charge of the personal property records including where the personal property records are located. It is very important that the full contact information for the person in charge of the records be included in case that person needs to be contacted for additional information.

Note: Assessors are reminded that beginning in 2017 all leasehold improvements installed in 2016 or later must be valued as real property improvements.

The individual signing the form must indicate if they are a sole proprietor, partner, officer, managing member, or agent. Agents must attach a letter of authority.

By their signature, the individual signing the form is certifying that the information contained within the form provides a full and true statement of all personal property owned, leased, or in the possession of the owner or related entity on December 31.

## **Determining Eligibility**

MCL 211.9o provides that eligible personal property, for which an exemption has been properly claimed is exempt from the collection of taxes under the General Property Tax Act.

Eligible personal property is defined as personal property that meets all the following conditions:

1. The personal property must be classified as industrial personal property or commercial personal property as defined in MCL 211.34c or would be classified as industrial personal property or commercial personal property if not exempt **and**
2. The combined true cash value of all industrial personal property and 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 **and**
3. 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.

Key in this definition to determining eligibility is the second clause that indicates the combined true cash value of all the personal property owned by, leased by, or in the possession of an owner or of a related entity must be less than \$180,000 in that local tax collecting unit.

Determination of eligibility for this exemption is different than determination of tax liability. Determination of eligibility for the exemption includes items, such as leased personal property, which would not be used in the determination of tax liability. It is possible that a taxpayer may have under \$180,000 true cash value for determination of tax liability and not be eligible for the exemption because of items they may lease or have in their possession but do not own.

### Examples

1. XYZ Leasing owns \$200,000 TCV of taxable personal property in Local Unit A. \$175,000 of this \$200,000 is equipment leased to AAB Co. and \$25,000 is equipment leased to BBB Co. Would XYZ leasing file two separate Form 5076's for the personal property at each lessee location?

No. XYZ Leasing is not eligible to claim the exemption. XYZ Leasing or a related entity owns, leases, or possesses more than \$180,000 True Cash Value of personal property in Local Unit A, therefore they are not exempt. However, AAB Co. and BBB Co. would be eligible for the exemption provided they do not own, possess, or lease any other personal property.

2. XYZ Leasing owns \$200,000 TCV of taxable personal property in Local Unit A. \$185,000 of this value is on lease to BBF Co and \$15,000 is on lease to MMN Co. Does \$15,000 of XYZ Leasing's then qualify for exemption?

No. XYZ Leasing is not eligible to claim the exemption. XYZ Leasing or a related entity owns, leases, or possesses more than \$180,000 True Cash Value of personal property in Local Unit A, therefore they are not exempt. Further, note that BBF Co is not exempt because it is leasing more than \$180,000 of personal property located in Local Unit A, regardless of any other personal property which it, along with any related entity, owns or possesses

3. XYZ Leasing owns \$160,000 TCV of taxable personal property in Local Unit A. \$135,000 of this value is on lease to LMO Co and \$25,000 is on lease to MNO Co. XYZ Leasing doesn't own, possess, or lease any other taxable personal property. LMO Co does have \$170,000 of true cash value of taxable personal property from another lessor but doesn't own any other property. Does XYZ Leasing file two Form 5076 for TPP at each lessee location since the true cash value is less than \$180,000?

Assuming XYZ Leasing does not lease (as lessee) or possess any other personal property in Local Unit A and assuming a related entity (to XYZ) does not own, lease, or possess any personal property in Local Unit A, then XYZ Leasing is entitled to claim the exemption, using a single Form 5076, regardless of the status of the lessees. This is because the personal property which it, or a related entity, owns, leases (as lessee) or possesses in Local Unit A is less than \$180,000 TCV.

However, note that LMO Co is not exempt because it is leasing more than \$180,000 of personal property located in Local Unit A, regardless of any other personal property which it, along with any related entity, owns or possesses.

4. If a Village is located in Township A and ABC Manufacturing has \$150,000 TCV in Township A (outside the Village) and \$150,000 TCV in the Village does it qualify for the exemption?

A Village is a separate local tax collecting unit. Therefore, ABC manufacturing would be eligible for the exemption.

5. ABC Leasing is leasing \$160,000 of personal property to XYZ Co in Local Unit A and has a sister company leasing \$150,000 of personal at another location in Local Unit A. Does ABC Leasing qualify for an exemption on the \$160,000 TPP on lease to XYZ Co?

Assuming that the sister company is a related entity, given the definition of related entity contained in MCL 211.9o, then the \$160,000 TCV of ABC and the \$150,000 TCV of the sister company is added together and neither ABC nor the sister company qualify for the exemption.

6. John Doe is the sole member of an LLC that owns a car wash in Local Unit A that has \$160,000 of assessable personal property. He also holds a 60% membership interest and 60% control in an LLC that owns a convenience store located in Local Unit A which has \$150,000 of assessable property. Do either or both LLCs qualify for the exemption?

Since Doe has more than a 10% controlling interest in the convenience store (and in fact has majority interest in the LLC that controls the store), the car wash and the convenience store are related entities and neither qualify for the exemption because the total true cash value is \$310,000.

7. Same facts as 6 above, except that the convenience store owns only \$115,000 of assessable personal property. However, the store also has possession of an ice cream freezer worth \$12,000 owned by the dairy that makes the ice cream, a soft drink beverage fountain worth \$11,500 owned by the soft drink mix supplier and \$50,000 of gasoline dispensing and brand identification signage owned by the oil jobber that supplies petroleum products to the store. Do either or both LLCs qualify for the exemption?

All the personal property supplied by vendors to the store is considered when determining the true cash value for exemption qualification purposes, because the personal property is in the possession of the LLC that owns the store. Since Doe has more than a 10% controlling interest in the convenience store (and in fact has majority interest in the LLC that controls the store), the car wash and the convenience store are related entities and neither qualify for the exemption because the total true cash value is \$188,500.

Note that although the possessed personal property is included in determining whether the LLCs qualify for exemption, the possessed personal property will not be assessable to the store, but rather to the vendors that placed the personal property in the store. This assumes that the vendors retained ownership of the personal property.



## Rescinding the Exemption

MCL 211.9o requires that any taxpayer who is no longer eligible for the exemption file Form 5618 *Request to Rescind the Small Business Property Tax Exemption Claim Under MCL 211.9o*. Form 5618 must be filed no later than February 20 of the year that the property is no longer eligible for the exemption. At the same time as Form 5618 is filed, taxpayers must file a personal property statement (Form 632).

Failure to rescind the exemption using Form 5618 will result in significant penalty and interest:

An owner who fails to file a rescission and whose property is later determined to be ineligible for the exemption will be subject to repayment of any additional taxes with interest as described in this subsection. Upon discovery that the property is no longer eligible personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall within 30 days of the date of the discovery **issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty.** If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

## Audit Program

Taxpayers are required to maintain records are required under MCL 211.22. MCL 211.9o provides local units of government the right to develop and implement an audit program to determine continued eligibility for the exemption.

The audit program includes, but is not limited to, the audit of all information submitted in Form 5076 for the current calendar year and the 3 calendar years immediately preceding the commencement of an audit. Any assessment because of an audit must be paid in full within 35 days of issuance and must include interest as described below:

Upon discovery that the property is no longer eligible personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal

of the exemption, and the local treasurer shall within 30 days of the date of the discovery issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

## **Denials, Appeals, Misplaced/Missed Forms, Late Filings, 154 Process**

### **Assessor Denial**

If an assessor believes that a property does not qualify for the exemption the assessor may deny that claim for exemption by notifying the taxpayer in writing. The written denial must include the reason for the denial and information on how to appeal the denial. A sample denial form is included in the Appendix.

After the denial, the assessor must remove the exemption and amend the tax roll to reflect the denial. The treasurer should then issue a corrected tax bill with interest as described above. Assessors file a separate Form 5379 *Assessor Form to Correct Taxable Value After Denial of Eligible Personal Property Exemption Granted Pursuant to MCL 211.9o* for each assessment year for which a denial was entered with the property owner, the Equalization Department, the County Treasurer and Treasurers of all other affected taxing units.

### **March Board of Review**

Taxpayers may appeal the denial from the assessor to the March Board of Review. The July or December Board of Review cannot hear an appeal of a denial unless there was an error made in the denial of the exemption by the assessor. An appeal may then be brought to the July or December Board of Review as a qualified error.

Taxpayers may appeal a denial by the March Board of Review to the Michigan Tax Tribunal.

A taxpayer who filed Form 632 and later believes they qualify for the exemption cannot appeal to the March, July, or December Board of Review to ask them to grant the exemption. Failure to properly claim the exemption **is not** a qualified error under MCL 211.53b and is not a denial by the assessor

### Misplaced or Missing Forms

If an assessor misplaces or missed a timely filed Form 5076, that **is not** considered a clerical error or mutual mistake and cannot be considered by the July or December Board of Review.

The assessor has no authority following submission of their assessment roll to the March Board of Review to grant the exemption. At the point that the taxpayer timely filed for the exemption and the assessor did not change their assessment roll to reflect that exemption, they are in fact denying the exemption and the taxpayer should appeal to the March Board of Review and the Michigan Tax Tribunal.

### Late Filed Forms

Taxpayers claim the exemption by filing Form 5076 *Form to Claim Small Business Tax Exemption under MCL 211.9o* with the local unit where the personal property is located no later than February 20. The February 20 date will move to the following business day when February 20 falls on a weekend or a holiday. Postmark is acceptable; however the burden of proof remains with the taxpayer that the form was postmarked by February 20.

Assessors should date stamp all forms received and retain the envelope as proof of timely filing.

Forms that are received or postmarked after the due date should not be accepted and instead the taxpayer should be notified that they may late file for the exemption directly with the March Board of Review. Late filing with the March Board of Review may require an in-person appearance by the taxpayer or their representative.

Assessors should not under any circumstances present Form 5076 to the March Board of Review and ask them to approve the exemption, this is in effect the assessor claiming the exemption on behalf of the taxpayer.

Taxpayers should contact the local unit where the personal property is located for more information. MCL 211.30 indicates:

A **nonresident taxpayer** may file his or her appearance, protest, and papers in support of the protest by letter, and his or her personal appearance is not required.

The governing body of the township or city may authorize, by adoption of an ordinance or resolution, a **resident taxpayer** to file his or her protest before the board of review by letter without a personal appearance by the taxpayer or his or her agent. If that ordinance or resolution is adopted, the township or city shall include a statement notifying taxpayers of this option in each assessment notice under section 24c and on each notice or publication of the meeting of the board of review.

## **MCL 211.154 Petitions**

The State Tax Commission has determined that due to the statutory authorities contained in MCL 211.9o and by reference those contained in MCL 211.30 and MCL 211.53b, there are no circumstances under which a MCL 211.154 petition can or should be used related to the Small Business Taxpayer Exemption.

## **Recordkeeping**

Taxpayers are required to maintain books and records for four years after filing Form 5076 claiming the exemption. At a minimum those records shall include the date of purchase, lease or acquisition, purchase price, lease amount or value of all industrial personal property and commercial personal property owned by, leased by or in the possession of that personal or a related entity. They shall provide access to those books and records if requested by the local unit assessing officer, County Equalization Department or Department of Treasury for the four years immediately after filing the exemption.

The State Tax Commission recommends assessors retain a copy of Form 5076 unit until the exemption is rescinded by the taxpayers.

## **Contact Information**

Questions regarding the Small Business Taxpayer Exemption can be directed to the State Tax Commission:

Email: [state-tax-commission@michigan.gov](mailto:state-tax-commission@michigan.gov)

Phone: 517-335-3429

## **Appendix**

- MCL 211.9o
- Sample Assessor Denial Form

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

\*\*\*\*\* 211.9o.amended THIS AMENDED SECTION IS EFFECTIVE DECEMBER 31, 2022 \*\*\*\*\*

**211.9o.amended Eligible personal property; exemption; statement; books and records; audit program; filing rescission and statement if property no longer eligible; denial of claim for exemption; fraudulent claim; penalties; definitions.**

Sec. 9o. (1) Beginning December 31, 2013, eligible personal property for which an exemption has been properly claimed under this section is exempt from the collection of taxes under this act.

(2) An owner of eligible personal property shall claim the exemption under this section by filing a statement with the local tax collecting unit in which the eligible personal property is located not later than February 20 of the first year the exemption is claimed or, if February 20 of the first year the exemption is claimed is a Saturday, Sunday, or legal holiday, not later than the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a statement delivered by the United States Postal Service, the filing is timely if the postmark date is on or before the filing deadline prescribed in this subsection. If the statement is not timely filed with the local tax collecting unit, a late submission may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this subsection. The board of review shall not accept a filing after adjournment of its March meeting. 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. A statement filed under this subsection must be in a form prescribed by the state tax commission and must include any address where any property owned by, leased to, or in the possession of that owner or a related entity is located within that local tax collecting unit. In the statement, the owner shall attest that the combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of that owner or a related entity on December 31 of the immediately preceding year is less than \$180,000.00.

(3) If a statement claiming the exemption under this section is filed as provided in subsection (2), the owner of that eligible personal property is not required to file a statement under section 19.

(4) A person who claims an exemption for eligible personal property under this section shall maintain books and records and shall provide access to those books and records as provided in section 22. A local unit of government may develop and implement an audit program that includes, but is not limited to, the audit of all information submitted under subsection (2) for the current calendar year and the 3 calendar years immediately preceding the commencement of an audit. Any assessment as a result of an audit must be paid in full within 35 days of issuance and must include interest as described in subsection (5).

(5) An exemption granted under this section remains in effect until the personal property is no longer eligible personal property. An owner whose personal property is no longer eligible personal property shall file by February 20 of the year that the property is no longer eligible a rescission and the statement required under section 19. The rescission must be filed on a form prescribed by the department of treasury. Upon receipt of a rescission form, the local assessor shall immediately remove the exemption. An owner who fails to file a rescission and whose property is later determined to be ineligible for the exemption will be subject to repayment of any additional taxes with interest as described in this subsection. Upon discovery that the property is no longer eligible personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall within 30 days of the date of the discovery issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

(6) If the assessor of the local tax collecting unit believes that personal property for which a statement claiming an exemption is timely and properly filed under subsection (2) is not eligible personal property, the assessor may deny that claim for exemption by notifying the person that filed the statement in writing of the reason for the denial and advising the person that the denial may be appealed to the board of review under

section 30 during that tax year.

(7) If a person fraudulently claims an exemption for personal property under this section, that person is subject to the penalties provided for in section 21(2).

(8) As used in this section:

(a) "Commercial personal property" means personal property that is classified as commercial personal property under section 34c or would be classified as commercial personal property under section 34c if not exempt from the collection of taxes under this act under this section or section 9m or 9n.

(b) "Control", "controlled by", and "under common control with" mean the possession of the power to direct or cause the direction of the management and policies of a related entity, directly or indirectly, whether derived from a management position, official office, or corporate office held by an individual; by an ownership interest, beneficial interest, or equitable interest; or by contractual agreement or other similar arrangement. There is a rebuttable presumption that control exists if any person, directly or indirectly, owns, controls, or holds the power to vote, directly or by proxy, 10% or more of the ownership interest of any other person or has contributed more than 10% of the capital of the other person. Indirect ownership includes ownership through attribution or through 1 or more intermediary entities.

(c) "Eligible personal property" means property that meets all of the following conditions:

(i) Is industrial personal property or commercial personal property.

(ii) The combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of the person claiming an exemption under this section or a related entity on December 31 of the immediately preceding year is less than \$180,000.00.

(iii) 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 is under common control with the person that previously owned the property.

(d) "Industrial personal property" means personal property that is classified as industrial personal property under section 34c or would be classified as industrial personal property under section 34c if not exempt from the collection of taxes under this act under this section or section 9m or 9n.

(e) "Person" means an individual, partnership, corporation, association, limited liability company, or any other legal entity.

(f) "Related entity" means a person that, directly or indirectly, controls, is controlled by, or is under common control with the person claiming an exemption under this section.

**History:** Add. 2012, Act 402, Eff. Mar. 28, 2013;—Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013;—Am. 2017, Act 261, Eff. Dec. 31, 2017;—Am. 2018, Act 132, Imd. Eff. May 3, 2018;—Am. 2021, Act 150, Eff. Dec. 31, 2022.

**Compiler's note:** Enacting section 1 of Act 402 of 2012 provides:

"Enacting section 1. Section 90 of the general property tax act, 1893 PA 206, MCL 211.90, as added by this amendatory act, is repealed if House Bill No. 6026 of the 96th Legislature is not 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 1 of Act 90 of 2014 provides:

"Enacting section 1. Section 90 of the general property tax act, 1893 PA 206, MCL 211.90, as added by this amendatory act, is repealed if either House Bill No. 6026 of the 96th Legislature, 2012 PA 408, or Senate Bill No. 822 of the 97th Legislature is presented to the qualified electors of this state at an election to be held on the August regular election date in 2014 and the bill presented is not approved by a majority of the qualified electors of this state voting on the question."

**Compiler's note:** Pursuant to section 34 of article IV of the state constitution of 1963, a legislative referendum on Act 80 of 2014 was presented to the electors as Proposal 14-1 at the August 5, 2014 primary election. The proposal read as follows:

"APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS

The amendatory act adopted by the Legislature would:

1. Reduce the state use tax and replace with a local community stabilization share of the tax for the purpose of modernizing the tax system to help small businesses grow and create jobs in Michigan.

2. Require Local Community Stabilization Authority to provide revenue to local governments dedicated for local purposes, including police safety, fire protection, and ambulance emergency services.

3. Increase portion of state use tax dedicated for aid to local school districts.

4. Prohibit Authority from increasing taxes.

5. Prohibit total use tax rate from exceeding existing constitutional 6% limitation.

Should this law be approved?

YES [ ]

NO [ ]".

Act 80 of 2014 was approved by a majority of the voters at the August 5, 2014 primary election. The election results were certified by the Michigan Board of State Canvassers on August 22, 2014.

**Popular name:** Act 206

**SAMPLE FORM**

Parcel No.

**Assessor Denial of the Small Business Taxpayer Exemption MCL 211.9o**

Issued under the authority of the General Property Tax Act, Public Act 206 of 1893, as amended.

The Assessor is required to deny the Small Business Taxpayer Exemption for personal property that is determined not to meet the eligibility requirements of MCL 211.9o. A denial may only be issued by the assessor when a fully complete and timely filed Form 5076 is received by the local unit of government where the personal property is located. A taxpayer who does not timely file for the exemption may late file with the March Board of Review.

**Part 1: Local Unit of Government Information** (Provide information where the personal property is located.)

Name of Local Unit of Government where the Personal Property is Located

City	Township	Village	County
Street Address	City	State	Zip Code

List the Physical Address(es) Where Personal Property is Located within the City or Township (attach additional pages as necessary)

**Part 2: Taxpayer Information** (Provide information for the taxpayer who filed Form 5076.)

Taxpayer Name	Name of Company Owner
Name of Contact Person	Phone Number
Street Number	City, State, ZIP Code
FEIN Number	Year(s) for which the Form 5076 was Filed with Local Unit

**Part 3: Reason for Denial of Eligible Personal Property Exemption** (The assessor must notify the taxpayer of the denial and their right of appeal and request that Form 632, *Personal Property Statement* be filed. In the absence of a completed Form 632, assessors are advised to use the best information available to estimate the assessment.

The Small Business Taxpayer Exemption is being denied for the following reason(s):

The personal property for which the Eligible Personal Property (Small Business Taxpayer) Exemption was claimed was not classified, or would not have been classified, as commercial personal property or industrial personal property, as defined in MCL 211.34c, for the assessment year in question. This denial reason applies to the following assessment year(s): \_\_\_\_\_

The true cash value of the personal property owned, leased or possessed by the taxpayer within the local tax collecting unit was \$80,000 or more. This denial reason applies to the following assessment year(s): \_\_\_\_\_

The true cash value of the personal property owned, leased or possessed by a related entity to the taxpayer, when combined with the true cash value of the personal property which is owned, leased or possessed by the taxpayer, within the local tax collecting unit was \$80,000 or more. This denial reason applies to the following assessment year(s): \_\_\_\_\_

It has been determined that the personal property in question is leased to or used by a person that previously owned the property or a person that, directly or indirectly, controls, is controlled by, or is under common control with the person that previously owned the property. This denial reason applies to the following assessment year(s): \_\_\_\_\_

**Taxpayer's Right of Appeal**

A taxpayer who timely and properly filed Form 5076 may appeal an assessor's denial of the Small Business Taxpayer Exemption for the current assessment year to the March Board of Review under MCL 211.30 during that tax year. In the case of a qualified error as defined in MCL 211.53b, specifically an assessor error in the denial of the exemption, an appeal may be made to the July or December Board of Review. The July or December Board of Review **may not** hear an appeal of a denial of the exemption from the March Board of Review. A further appeal of a denial may be made to the Michigan Tax Tribunal within 35 days of the date of the denial. Michigan Tax Tribunal forms are available at [www.michigan.gov/taxtrib](http://www.michigan.gov/taxtrib).

Assessor Printed Name	Assessor Signature	Date
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Blank space for Assessor Printed Name, Assessor Signature, and Date.

