

ATTENTION business owners and statement preparers:

Due to recent legislation regarding personal property taxes, there may be significant changes in the way you file your annual personal property statement. Please read this memo thoroughly and also visit the Assessing Department's website to read State Tax Commission bulletins and to access forms.

Beginning December 31, 2013 **eligible** personal property is exempt from taxation.

Eligible Personal Property

In order to be eligible personal property and qualify for the exemption, the personal property must meet **ALL** of the following conditions:

- The exemption must be properly claimed on Form 5076 **and**
- 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 **and**
- 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.
- The **combined true cash value is less than \$80,000**. This total includes all industrial or commercial personal property in an individual community that is:
 - owned by the entity claiming the exemption
 - or leased by the entity claiming the exemption
 - or in possession of the owner or a related entity claiming the exemption*(combined true cash value includes the value of leased equipment)*

Taxpayer Responsibility

In order to claim the exemption, the owner of the eligible personal property **must annually file an affidavit** with the Assessing Department **not later than February 10** each tax year the exemption is claimed. If an affidavit is filed, the owner is not required to file a personal property statement in that tax year. The affidavit (Form 5076) is available on our website and at www.michigan.gov/taxes.

Taxpayers are required to maintain books and records for four years after filing an affidavit claiming the exemption. They shall provide access to those books and records if requested by your local Assessing Department, County Equalization, or the Department of Treasury for the four years immediately after filing the exemption.

The Assessing Department must deny exemptions which do not qualify. Any individual who fraudulently claims an exemption is guilty of a misdemeanor punishable by not less than 30 days and not more than 6 months in jail and a fine of not less than \$500 or not more than \$2,500 or both.

Please see State Tax Commission Bulletin 11 of 2013 (viewable on our website) for more details regarding the criteria for exemption and taxpayer responsibilities.

**Do NOT file the exemption affidavit unless you qualify.
If you do NOT qualify, you must file the 2014 Personal Property Statement by
February 20, 2014.**

LINKS

http://www.michigan.gov/documents/treasury/2013Bulletin11PersonalPropertyTaxChanges_439251_7.pdf
