



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5327 (as discharged)
Sponsor: Representative Kathy Angerer
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend Section 9f of the General Property Tax Act to revise the definition of "new personal property" for purposes of a tax exemption that may be granted by an eligible local assessing district. The current definition refers to personal property that was not previously subject to tax under the Act or was not previously placed in service in this State. The bill would delete the phrase "in this state" and would refer to property not previously placed in service by an eligible business claiming an exemption under Section 9f.

(Section 9f allows the governing body of an eligible local assessing district to adopt a resolution exempting from the collection of taxes under the Act all new personal property leased or owned by an eligible business located in an eligible district (e.g., an industrial development district, a renaissance zone, an enterprise zone, or a brownfield redevelopment zone). An "eligible local assessing district" is a city, village, or township that contains an eligible distressed area, or that is located in a county that borders another state or Canada and meets other criteria. An eligible business is a business engaged primarily in manufacturing, mining, research and development, wholesale trade, office operations, or the operation of a facility for which the business owning or operating the facility is an eligible taxpayer, i.e., an authorized business as defined in the Michigan Economic Growth Authority Act and eligible for certain business tax credits under that Act.)

MCL 211.9f

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

This bill would allow local governments to exempt certain property taxes at their discretion. The fiscal impact is indeterminate but would depend on the amount and number of local governments that engage in this activity.

Date Completed: 12-2-10

Fiscal Analyst: Eric Scorsone