

There have been many recent changes to the General Property Tax Act. Here are some highlights of recent legislative changes. Please feel free to contact me if you have any additional questions.

Thank you,

Sally Akerley, MAAO 231.223.7313 [assessor@peninsulatownship.com](mailto:assessor@peninsulatownship.com)

### **PERSONAL PROPERTY EXEMPTION**

Eligible personal property is now exempt from taxation:

- It must be classified as commercial personal or industrial personal as defined in MCL 211.34c.
- The combined True Cash Value of all commercial personal and industrial personal property owned by, leased by or in possession of the owner or a related entity claiming the exemption shall be less than \$ 80,000 *in the local tax collecting unit*
- The property shall not be 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 exemption must be property claimed (annually) by filing the affidavit (Form 5076) with the assessor.
- The affidavit shall be timely filed with the assessor annually by February 10<sup>th</sup>. The State Tax Commission has determined that "timely filed" means postmarked by February 10<sup>th</sup>. For the 2014 tax year ONLY, an owner who has not timely filed their affidavit may do so at the 2014 March Board of Review.

*For more information, see P.A. 402 of 2012 or State Tax Commission Bulletin 11 of 2013*

**PLEASE NOTE: THIS MAY BE REPEALED!! SEE ENACTING SECTION 1 OF ACT 402 OF 2012**

### **INFLATION RATE MULTIPLIER**

The inflation rate multiplier for 2014 Capped Value formula and Headlee MRF Formula is 1.6% *Additional information on how this is computed can be found at State Tax Commission Bulletin 13 of 2013.*

### **BEGINNING DECEMBER 31, 2013, CERTAIN TRANSFERS OF OWNERSHIP ARE EXEMPT FROM UNCAPPING**

A transfer of residential real property is not a transfer of ownership if the buyer (transferee) is related to the seller (transferor) by blood or affinity to the first degree **AND** the use of the residential real property does not change following the transfer of ownership.

Affinity to the first degree includes the following relationships: spouse, father or mother, father or mother of the spouse, son or daughter, including adopted children and son or daughter of the spouse, siblings.

The State Tax Commission has defined transferee and transferor as a person. Therefore, this exemption from uncapping does not apply to a trust, a limited liability company or to distribution from probate.

*For more information, refer to PA 497 of 2013 or State Tax Commission Bulletin 5 of 2013 or State Tax Commission Bulletin No. 23 of 2013.*

### **AGRICULTURAL EXEMPTIONS**

If a parcel of real property is classified as agricultural real property and is engaged in agricultural operations, any contiguous parcel owned by the same taxpayer that is a vacant parcel, a wooded parcel, or a parcel on which is located 1 or more agricultural outbuildings that comprise more than 50% of the taxable value of all buildings on that parcel as indicated by the assessment records for the local tax collecting unit in which the parcel is located, shall be classified as agricultural real property. The agricultural exemption provides relief from the 18 Mills of School Operating tax.

*For more information, refer to P.A. 368 of 2012 or MCL 211.34c regarding the definition of agricultural property.*

#### **DISABLED VETERANS EXEMPTION**

The real property used as a homestead by a disabled veteran, who was honorably discharged, shall be exempt from the collection of taxes. To obtain the exemption, an affidavit, confirming the veteran meets the eligibility requirements, shall be filed annually with the assessor. The disabled veteran must have some form of documentation from the U.S. Department of Veterans Affairs to qualify for the exemption. A letter from the County Department of Veterans Affairs indicating they have reviewed their records and the veteran qualifies **is insufficient**. The affidavit when filed shall be open to inspection. The State Tax Commission has determined that the March, July and December boards of review have the authority to review and grant the exemption. A disabled veteran means a person who is a resident of this state and who meets one (1) of the following criteria:

- Has been determined by the United States department of veterans affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.
- Has a certificate from the United States veterans' administration, or its successors, certifying that he or she is receiving or has received pecuniary assistance due to disability for specially adapted housing.
- Has been rated by the United States department of veterans' affairs as individually unemployable.

If a disabled veteran who is otherwise eligible for the exemption dies, the exemption shall remain available to or shall continue for his or her un-remarried surviving spouse.

*For additional information see P.A. 161 of 2013 or State Tax Commission Bulletin No. 22 of 2013*