

PERSONAL PROPERTY TAX INFORMATION

PERSONAL PROPERTY/NEW BUSINESS

Are you opening a business or going out of business? Please inform the Assessor's Office by letter of your business's change of status, include your business name, date of its status change, today's date, and have the letter signed by the owner.

General Information

1. **Purpose:** The purpose of this is to familiarize business owners with the Personal Property Tax. We will attempt to explain the functions of the Township Assessor's Office in the administration of this tax.
2. **Personal Property:** Includes furniture, fixtures, machinery and equipment used in the operation of a business. Typical items are desks, chairs, computers, cash registers, racks, beds, cabinets, televisions, tools, etc. If you question whether the property qualifies for the tax, contact the Assessor's Office.
3. **Tax Day:** The Township Assessor values your personal property on Tax Day. Under Michigan Law, the Tax Day is December 31st of each year. Property is valued at market or true cash value and assessed at 50% thereof.
4. **Statement of Personal Property:** Davison Township mails out personal property statements in December of each year. Under State Law, statements are to be filed with the Assessor declaring all personal property. Leased equipment should also be reported on the personal property statement on the appropriate line. The statements are utilized by the Assessor in valuing your personal property. Should you not receive a statement by late December, please contact the Assessor's Office.
5. **Returning the Personal Property Statement:** It is imperative that you return the completed statement in a timely fashion. Statements are due by February 20th of each year. If you do not return this statement, the Assessor is obligated, by law, to estimate the assessment based upon available information. DO NOT ASSUME that because you are out of business the Assessor will not assess the personal property. Remember, estimated assessments are valid.
6. **Small Business Taxpayer Exemption:** MCL 211.9o provides for a personal property tax exemption for "eligible personal property." This is commonly referred to as the Small Business Taxpayer Exemption. MCL 211.9o defines "eligible personal property" as meeting all of the following criteria: a) 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 b) 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 c) 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.

- **Personal Property Valued Less than \$80,000**: In order to claim an exemption for personal property valued less than \$80,000, Form 5076 must be filed with the Township Assessor where the personal property is located no later than February 20th (postmark is acceptable). Late filed forms may be filed directly with the March Board of Review. 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 20th of the year that the property is no longer eligible. Failure to file the rescission form will result in significant penalty and interest as prescribed in MCL 211.9o. Once an exemption is granted for personal property valued at less than \$80,000, taxpayers are not required to file a "Personal Property Statement" (Form 632) in the year they are claiming the exemption.
 - **Personal Property Valued Greater than or Equal to \$80,000 but Less than \$180,000**: In order to claim an exemption for personal property with a combined true cash value equal to or greater than \$80,000 and less than \$180,000, Form 5076 AND Form 632 (Personal Property Statement) must be filed ANNUALLY with the Township Assessor no later than February 20 of each year (postmark is acceptable). Late filed forms may be filed directly with the local unit March Board of Review prior to the closure of the March Board of Review.
7. **Contesting the Assessment**: An assessment may be contested if you feel it is inaccurate. This is a three-step process:
- Discuss your concerns with the Township's Assessor.
 - Petition with the local Board of Review, which meets in early March of each year.
 - If you still believe your assessment is inaccurate, you may pursue your concerns with the Michigan Tax Tribunal.