

Form 5278 Filing Checklist

Key items to remember when filing Form 5278 through May 31, 2016, the extended deadline resulting from Public Acts 107-110 of 2016:

1. Eligible taxpayers should file Form 5278 and not Form 632. Form 5278 contains everything required to claim the exemption, file for ad valorem personal property taxes for personal property placed in service from 2006 through 2012 and file the ESA Statement.
2. A separate Form 5278 must be filed for each personal property parcel number.
3. Review in detail the instructions contained within Form 5278. These instructions provide line by line information on how to fill out the form.
4. As indicated in the certification statement on Part 1, a duly authorized agent of the owner, lessee or occupant may sign the form as long as the agent attaches a letter of authority. An authorized agent may be internal or external to the business filing for the exemption.
5. Form 5278 must be filled out in its entirety. In its entirety means filling out all of Part 1 and any sections of Part 2 and Part 3 that are applicable to the taxpayer claiming the exemption. Any section not applicable may be left blank.
6. Part 2 of the Form should be filled out in the same manner as Form 632, the personal property statement, was filled out by the taxpayer in prior years.
7. Form 5278 is filed with the local unit where the personal property is located by May 31, 2016, **postmark is not acceptable**.
8. It is critical that the FEIN be included in the filing and be double checked for accuracy. This will be important when the electronic ESA Statement is developed by the Department of Treasury.
9. In Part 2 of the Form, standard tooling section H has been eliminated. Standard tooling is reported in the appropriate personal property table for personal property placed in service between 2006 and 2012 and is included in Part 3 for ESA.
10. In Part 3 of the Form, taxpayers are to report 100% of Eligible Personal Property's fair market value at the time of acquisition by the first owner for all years. The cost of freight, sales tax and installation must be included. There is a rebuttable presumption that the acquisition price paid by the first owner for personal property, and any costs of freight, sales tax, and installation and other capitalized costs, except capitalized interest, reflect the acquisition cost.
11. In Part 3 of the Form, it is important to report Eligible Personal Property's fair market value in the correct section. Entering fair market values in the incorrect section will require values to be re-entered into your statement prior to certification.

12. In Part 3 of the Form, it is critical that certificate numbers for IFT's and PA 328 Exemptions be reported in the correct format. The correct format for IFT certificate numbers is YYYY-### and the correct format for PA 328 exemptions is ###-YYYY where YYYY is a year and ### is a designated three-digit number. In some cases, IFT certificate numbers may include a single letter after the three-digit number.
13. Review ESA Topics on the ESA Webpage, they contain specific information on IFT's, PA 328 Exemptions, Leased Equipment and Renaissance Zones.
14. Once an eligible claimant has properly claimed the personal property tax exemption by timely filing Form 5278 with the local assessor, the assessor will transmit the information contained in Form 5278 to the Michigan Department of Treasury by June 7th per direction provided by the State Tax Commission. The Department of Treasury will then create an *Electronic ESA Statement (Statement)* from the information contained in Form 5278 and will make that *Statement* available through Michigan Treasury Online (MTO) not later than June 30th. Eligible claimants must submit a certified *Statement* either through MTO or through e-file (paper *Statements* are not accepted) and make electronic payment of the Essential Services Assessment by August 15, 2016 to avoid a late payment penalty or by October 15, 2016 to avoid rescission of their exemption.

For additional ESA information please visit the Michigan Department of Treasury's [ESA website](#).

This information constitutes an interpretation of one or more statutes administered by the Bureau of Local Government Services and not legal advice. As the interpretation reached in these examples are limited to the facts provided, any variation in those facts might result in a different interpretation being reached. Therefore, a taxpayer may wish to consult counsel before proceeding in this matter.