

Assessors and Equalization Directors:

The purpose of this communication is to provide you with information regarding reporting requirements contained in Public Acts 86 and 87 of 2014. Specifically these Acts require:

Sec. 27e. (1) Not later than June 5, 2014, the assessor for each city and township shall report to the county equalization director all of the following:

(a) The 2013 taxable value of commercial personal property and industrial personal property for each municipality in the city or township.

(b) The 2014 taxable value of commercial personal property and industrial personal property for each municipality in the city or township.

(c) The small taxpayer exemption loss for each municipality in the city or township, defined as (a) minus (b).

(2) Not later than June 20, 2014, the equalization director for each county shall report to the department the information described in subsection (1) for each municipality in the county. For each municipality levying a millage in more than 1 county, the county equalization director responsible for compiling the municipality's taxable value under section 34d shall compile the municipality's information described in subsection (1).

(3) Not later than August 15, 2014, each municipality shall report to the department the millage rate levied or to be levied that year for a millage described in the definition of debt loss or school debt loss. For 2014, the rate of that millage shall be calculated using the sum of the municipality's taxable value and the municipality's small taxpayer exemption loss. For 2014, the department shall calculate each municipality's debt loss or school debt loss by multiplying the municipality's millage rate reported under this subsection by the municipality's small taxpayer exemption loss.

Assessors, your equalization director may decide to generate the required reports without your input. Equalization directors, please notify your assessors if you do not require your assessors to submit to you the report described above.

For users of the vendor software, we have been working with BS&A, Patriot/Pontem, and Thomson Reuters on the development of a report that will meet these requirements. The BS&A reports hopefully will be included with the May 15, 2014 update. For non BS&A, Patriot/Pontem, Thomson Reuters users, we are attaching a sample Excel spreadsheet that you can use as a template to provide the information.

Regardless of the reporting method used, all assessors should note that the numbers to be reported should be "final" for the 2013 year and should be as of final State Equalization for the 2014 years. Assessors must also note the following: PA 86 contains definitions of commercial personal (CP) and industrial personal (IP) property that:

- 1) Include IFT personal property, new facility personal at 50% of TV; and
- 2) Exclude CP and IP "that after 2012 was classified in the municipality where it is currently located as real property or utility personal property."

Example 1: Assume personal property was classified in 2013 as utility personal but in 2014 (the current year) is classified as industrial personal, with a TV of \$300,000. That \$300,000 needs to be excluded from 2014 industrial personal TV, only for the PPT cut reports.

Example 2: Assume personal property was classified in 2013 as industrial personal with a TV of \$400,000 but in 2014 (the current year) is classified as utility personal with a TV of \$370,000. The 2013 TV of \$400,000 needs to be excluded from 2013 industrial personal TV, only the PPT cut reports. There is no adjustment for 2014.

Example 3: Assume a parcel of property was classified in 2013 as industrial real but in 2014 (the current year) is classified as industrial personal with a TV of \$600,000. That \$600,000 needs to be excluded from 2014 industrial personal TV, only for the PPT cut reports.

Include in the reports the taxable value of property in a renaissance zone. Treasury has just mailed assessors Form 3369 to report the 2013 and 2014 taxable value of renaissance zone property.

The small taxpayer exemption losses calculated on the reports are needed to calculate debt millage rates levied in July and December of 2014. Timely submission of the reports will allow July 2014 tax bills to be printed on time.

- [Copy of L-4050 CPP IPP IFT PP TV Rept to Treasury -new.xlsx](#)