

**State Tax Commission June 18, 2013 Tip**  
**Topic: Public Act 494 of 2102, Development Property**



Dear STaCy,

I have a property owner in my local unit that has filed Form 5033, Affidavit Claiming Exemption from School Operating Millage Levied for New Construction Located on Development Property before June 1. I have reviewed the property and determined that it meets the conditions of the Act and is eligible for the three year exemption from the school operating tax. However, as this is a new exemption, I would like to be certain that I am handling the property accurately to ensure the property owner receives the entitled exemption. Can you please tell me how I should handle property under this exemption?

Thanks,  
Mr. Dot N. Eyes

Dear Mr. Eyes:

The State Tax Commission issued Bulletin 3 of 2013 which provides guidance on Public Act 494 of 2012: Development Property. As you know, development property is defined as real property on which a residential dwelling, condominium unit or other residential structure is located. Because the property cannot be occupied, can never have been occupied and can't be leased, it would accurately be listed a Non-PRE property. In addition, as noted in the Bulletin, the exemption applies only to the property improvements and not the land. Therefore, the Act presumes that a new parcel with only the improvements on the parcel will be created.

Form 5033 is not required by the Act to be submitted to the Department of Treasury. Assessors should retain the Affidavit as part of the property records maintained in the local assessing office.

It is our understanding that software vendor(s) have developed a process to comply with the requirements of the Act.

Sincerely,  
STaCy