Taxable Value Reporting Guide

For tax years 1994 through 2007

1. PRE & Qualified Ag. & Qualified Forest (PRE/QA/QF) values should include the value of property used to calculate the tax under Act No. 189 of 1953, MCL 211.181-211.182, which taxes the lessees or users of tax-exempt property.
2. The Includes Capture and RZ line should include the captured values reported in the Capture Only line. The Department then subtracts the Capture Only values to calculate a "net" taxable value for State Aid purposes. If the captured values are subtracted from the Includes Capture and RZ line before reporting, the district gets reimbursed twice for the captured amount.
3. The value of property in a Renaissance Zone (RZ) or Tool and Die RZ should be included in the report even though the property does not pay the 18 mill school operating tax levy. The law requires the State to separately reimburse school districts for their loss. If you exclude the RZ value from the report, the schools get reimbursed twice by the State.
4. The value of a DNR PILT property should be included in the report even though the property does not pay the 18 mill school operating tax levy. These properties are Qualified Agricultural Properties, and should be reported in the PRE/QA/QF column.
5. Values for Industrial and/or Commercial Facilities Tax properties should not be included in any column.
6. For values captured under a tax increment financing (TIF) plan:
    a. Report the TIF plans' captured value on the Capture Only line, not the current value. Current value minus initial value equals captured value. The current value of the property should be part of the value reported on the Includes Capture and RZ line.
    b. Report the value captured for local school operating taxes. If a plan is capturing non-school taxes only, report zero capture.
    c. If the plan is capturing less than 100% of available school taxes, multiply the value available for capture by the percentage capture.
    d. If the industrial facilities tax (IFT) capture is negative, the ad valorem tax captures must be reduced to offset the negative IFT capture. Negative IFT capture can occur when IFT exemptions expire, or when IFT values drop for other reasons.
    e. For DDA, TIFA, and LDFA plans, Form 2604 makes the calculations described in a-d. Form 2604, Step 5, lines 24 and 25 report the captured values for the DS 4410/taxable value reporting. For local units with more than one plan, each plan's values must be added together. Captured values for brownfield plans must be obtained from the authority/local unit.
    f. Do not report any capture for RZ or Tool & Die RZ property within the unit. RZ parcels do not pay school operating, therefore are not subject to capture of school operating. Please do not report any capture taking place during the phase out period of RZ or Tool & Die RZ property.
7. Taxable values shall be adjusted for tax foreclosure chargebacks and for proceeds of foreclosed property auctions paid to school districts, according to the following schedule.

    a. 2007 taxes go delinquent on March 1, 2008.

b. If the taxes remain unpaid, by April 1, 2010 the property is foreclosed, title transfers to either the county or state, and taxes on the property are canceled.
c. The foreclosed property may be sold at auction as soon as the following July, September, or November, and part of the proceeds of the sale may be paid to taxing units to reimburse them for the property taxes that were canceled. Or the property may be transferred to a local government or land bank authority.
d. The county may either reduce the taxable value of the property when the canceled taxes are charged back to the school districts before the sale (b) and then increase the taxable value of the property for any sale proceeds returned to the school districts (c), or simply reduce the taxable value of the property for the amount of school taxes canceled and not recovered from sale of the property.
e. Please see examples of the corresponding calculations provided.