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BULLETIN NO. 1
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LPG TANK EXEMPTION

STATE OF MICHIGAN

JOHN M. ENGLER, Governor

# DEPARTMENT OF TREASURY

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TO: All Assessing Officers and County Equalization Directors

FROM: Michigan State Tax Commission

Subject: **Exemption of liquefied petroleum gas tanks (LPG Tanks) from 1991 taxes, State Assessors Board Rule 47(2)(c), and SEV requirement beginning with 1990 homestead property tax credit claims**

The State Tax Commission's funding for postage has been severely cut. In order to communicate with the 1600 assessing officers and counties it is necessary to send this Bulletin as well as Bulletins Number 13, 14, 15 and 16 in bulk to the county equalization directors. We appreciate the cooperation of the 83 county equalization directors.

Residential LPG Tanks Exemption in 1991

Act No. 317 of the Public Acts of 1990 was approved by the Governor on December 19, 1990 and filed with the Secretary of State on December 20, 1990. Act No. 317 did not have immediate effect but will become law on about March 27, 1991. Section 2 of Act No. 317 states, "This amendatory act shall take effect January 1, 1990." The exemption provided by Act No. 317 is as follows:

"Sec. 9. The following personal property is exempt from taxation:

...(r)Liquefied petroleum gas tanks located on residential or agricultural property and used to store liquefied petroleum gas for residential or agricultural property use. As used in this subdivision, "liquefied petroleum gas" means that term as defined in section 51 of Act No. 150 of the Public Acts of 1927, being section 207.151 of the Michigan Compiled Laws."

Assessing officers are advised that the LPG tanks located on residential or agricultural property for residential or agricultural use are exempt for the 1991 and subsequent tax years. LPG tanks on commercial sites and bulk LPG storage facilities are taxable.

Homestead Property Tax Credit Claims

The 1990 form MI-1040 CR, Homestead Property Tax Credit Claim, requires that the 1990 State Equalized Value (SEV) of one's homestead be entered on line 8 in order to qualify for the credit. A reminder on the tax statement may assist the homeowner.

SEV Multipliers in Excess of 1.10

Certified assessing officers are reminded of the State Assessors Board Administrative Rule 47(2)(c). "...If an assessing unit receives a state equalized multiplier of more than 1.10 after December 31, 1984, that fact shall be sufficient cause for the (State Assessors) board to conduct a hearing to determine if the certification of the assessor who prepared the assessment roll shall be revoked or suspended."