



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
CHRIS SEPPANEN
EXECUTIVE DIRECTOR

SHELLY EDGERTON
DIRECTOR

November 3, 2016

Dear Tax Tribunal Practitioner:

Stipulations

As we discussed in both our June and July 2016 GovDelivery's, beginning July 1, 2016, the Tribunal requires that Stipulations contain the printed name as well as signature of the individual executing the Stipulations. Because the Tribunal continues to receive Stipulations without the printed name of the individual signing the Stipulations, we again remind parties that the Tribunal will deny all Stipulations lacking a printed name. No additional fee will be required if a properly completed stipulation is returned to the Tribunal within 14 days of the date of the denial Order.

Taxable Value Calculations

An issue has arisen regarding the Tribunal's practice of denying stipulations where taxable value has been rounded down to the nearest \$100. In this regard, State Tax Commission Bulletin No. 3 of 1995 advises assessors that where taxable value is calculated by multiplying the prior year taxable value by the applicable inflation rate, that answer derived from the formula must not be rounded up, but may be rounded down to the nearest \$100. Although the STC allows assessors to round down in these situations, please be advised that the Tribunal believes that taxable value should be calculated to the nearest dollar. The Tribunal will continue to deny stipulations that do not properly calculate taxable value to the nearest dollar. Similarly, the Tribunal will calculate taxable value in that manner in all relevant opinions it issues.

Exhibit Lists

In all ET cases, the parties are ordered to submit Exhibit Lists to the Tribunal and the opposing party two weeks prior to a scheduled hearing. Although the Tribunal has made a form available to the parties for submitting their list of exhibits, many parties have failed to utilize the Tribunal's form. Effective immediately, all parties to ET cases will be required to submit their Exhibit List on the Tribunal's prescribed form. The Tribunal's Prehearing Statement and Scheduling Order will be revised to include that requirement.

Sales Studies

The State Tax Commission's recent Bulletin 12 of 2016 discusses the applicable one-year and two-year periods for sales studies, with the reminder that these sales study dates "are not the same as the valuation date used in appeals before the Michigan Tax Tribunal." The Tribunal reminds parties that when submitting market analyses as evidence in a Tribunal property tax appeal, sales occurring after September 30th should be considered and included in such evidence.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
CHRIS SEPPANEN
EXECUTIVE DIRECTOR

SHELLY EDGERTON
DIRECTOR

Court of Appeals Decisions

Educational/Charitable Exemption

Harmony Montessori Center v City of Oak Park, unpublished opinion per curiam of the Court of Appeals, issued October 13, 2016 (Docket No. 326870).

Petitioner appealed the Tribunal's determination that it was not entitled to an educational or charitable institution exemption. The Court of Appeals affirmed, holding that the Tribunal's determination that Petitioner did not relieve a substantial governmental burden because only a small portion of its students could or would attend a state-funded school or program in its absence was supported by substantial evidence on the record. Consideration of Petitioner's educational technique was proper, and its indirect benefit argument was irrelevant. Further, the record demonstrated that each time Petitioner finished a year at a financial loss, it increased tuition in the following year to make up the difference. Once this fact was established, the Court's prior opinion required the Tribunal to conclude that it was not entitled to the charitable institution exemption.