



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

Bulletin 14 of 2016
Occupied Trailer Coach Exemption
October 18, 2016

TO: Assessors, Equalization Directors and Interested Parties

FROM: State Tax Commission

SUBJECT: \$3.00 Per Month Specific Tax and Occupied Trailer Coach Exemption

Bulletins 7 of 1988, 11 of 1990, 15 of 1994 & 16 of 1998 are rescinded.

Per MCL 125.1041, a \$3.00/month specific tax shall be collected for every “occupied trailer coach” (as discussed below) by every park that is licensed, including licensed mobile home parks, licensed condominium campgrounds and licensed campgrounds. This \$3.00/month specific tax exempts occupied trailer coaches from property taxes.

The \$3.00/month specific tax exempts an occupied trailer coach from ad valorem property taxes. MCL 211.2 states “the taxable status of persons and real and personal property shall be determined as of each December 31, which shall be deemed the tax day.” Therefore, if the trailer coach is not qualified to pay the \$3.00/month specific tax on December 31 of the previous year, the exemption for the occupied trailer coach cannot be granted for the current assessment year.

The \$3.00/month specific tax must be collected by the park operator for each occupied trailer coach and paid to the city or township treasurer of the assessment jurisdiction where the licensed park is located. Failure of the park operator to collect and pay the specific tax by the fifth day of each month for the preceding month subjects the park operator to a late payment penalty of 3% of the unpaid balance. Interest shall accrue on the unpaid balance at a rate of 1% per month and the licensee shall be liable for a civil fine of not more than \$10.00 per occupied trailer coach for each month the park operator does not remit the specific tax.

The \$3.00/month specific tax exempts everything that is manufactured as part of the mobile home or trailer coach, including manufactured add-on rooms that are acquired along with the trailer coach and are erected with the trailer on the site. This includes heat exchangers and central air conditioning.

The \$3.00/month specific tax does not exempt improvements attached to the lot or parcel that are occupied by the exempt occupied trailer coach. The following are examples of improvements assessable as real property on leased land, pursuant to MCL 211.2(1)(c), and assessable to the owner of the improvement, whether or not that owner also owns the occupied trailer coach:

Occupied Trailer Coach Exemption

1. Detached sheds and buildings erected on concrete slabs, posts, piers or skids, with or without floors.
2. Attached sheds situated on concretes, posts or piers with or without floors.
3. Attached carports and porches.
4. Attached garages.
5. Concrete floors, walks, patios, etc., that are not part of the pad provided by the licensed park.
6. Wood decks and porches built on site by the owner of the mobile home or trailer coach.
7. Porches with or without chassis.
8. Porches built on site or that are pre-cast and moved to the site.
9. Additions that were built on and were not part of the original unit and are without chassis.

This list shall not be deemed exhaustive. Similar improvements not listed may be taxable as assessed real property on leased land.

The \$3.00/month specific tax does not exempt the mobile home park or licensed campground itself. The land and any park-owned improvements are assessable to the owner of the park. This includes any mobile home or trailer coach used as a park office, storage, or any use except habitation.

Occupied Trailer Coaches

In *Sandy Pines Wilderness Trails, Inc. v Salem Township, Monterey Township, and the State Tax Commission*, the Michigan Court of Appeals defined “occupied trailer coach” as an “occupied moveable residence attached to and drawn by some other power source.” The requirement that the coach be occupied is fulfilled by either permanent or temporary occupation. The State Tax Commission has determined that “occupied trailer coach” is any manufactured housing unit that is attached to a unified metal or wooden chassis in such a manner that a dolly can be placed under the chassis in order to haul the unit from one location to another. This includes the following:

1. Park models
2. Travel Trailers
3. Camping Trailers
4. Fifth Wheel Trailers

Modular housing units, which are not attached to a unified metal or wooden chassis cannot be occupied trailer coaches. Travel trailers, camping trailers, and fifth wheel campers that are licensed under the Michigan Vehicle Code are already exempt from property tax as licensed vehicles.

Mobile Homes Not Located in a Licensed Mobile Home Park or Campground

Mobile Homes that are not located in a licensed mobile home park or campground are assessable as part of the real property on which they are located, whether or not they are permanently affixed to the soil.