

2021 COVID-19 EMPP exemption claims



PA 211 of 2023

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- Allows taxpayers to claim the eligible manufacturing personal property (EMPP) exemption for 2021 if they did not properly file a Combined Document (Form 5278) to claim the eligible manufacturing personal property (EMPP) exemption in 2021 due to the COVID-19 pandemic.
- To apply, forms 5278 (Combined Document) and 5965 (application to request the EMPP exemption under the act) must be submitted to the State Tax Commission no later than March 14, 2024.
- The State Tax Commission (STC) may either approve or deny the application.

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The amending act **does not**:

- Allow taxpayers to claim the EMPP exemption in any year other than 2021 (and the exemption granted for 2021 does not carry forward to any succeeding year)
- Allow for claiming the EMPP exemption in 2021 for reasons unrelated to COVID-19
- Exempt all 2021 EMPP (2011 and 2012 acquisitions are still assessed locally per MCL 211.9m and 9n)
- Make corrections to previously filed 2021 Combined Documents and/or ESA returns

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Filing Requirements

- To request approval of the 2021 EMPP exemptions, taxpayers must file the following no later than March 14, 2024:
 - A complete 2021 Combined Document (Form 5278)
 - A complete Application to Request 2021 Eligible Manufacturing Personal Property (EMPP) Exemption Under PA 211 of 2023 (Form 5965)
 - Copies of the 2021 summer and winter tax bills for the parcel being claimed
- Application documents may be sent via mail or email:
 - State-tax-commission@michigan.gov
 - PO Box 30471, Lansing, MI 48909

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Review Process

- Upon receipt of the Form 5965 application and Form 5278 Combined Document, the STC will forward the information to the ESA Section for review.
- Staff will:
 - Review the application and Combined Document
 - Contact the taxpayer and/or local unit of government for additional information, if needed
 - Review ESA history for the taxpayer and parcel
 - Calculate ESA liability for the parcel(s)
 - Make a recommendation to the STC for approval or denial, and notify taxpayer

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STC Approval

- If the STC approves the application, it will issue an order that:
 - Grants the EMPP exemption for 2021
 - Establishes the 2021 Essential Services Assessment (ESA) for the property and sets the due date for payment to 45 days after the issuance of the order. (no late payment penalty or interest will be charged)
 - Provides that if the ESA liability is not paid in full within 45 days, the EMPP exemption is rescinded.
 - Any payment of 2021 property taxes paid be refunded by the local unit within 30 days –or– any unpaid 2021 property taxes be cancelled by the local unit

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STC Approval

- If approved, the ESA Section will generate an ESA Statement with the information provided on the Combined Document (Form 5278).
- ESA Staff will notify the taxpayer in writing that the ESA Statement is available to review in Michigan Treasury Online (MTO) and to make electronic payment of ESA liability.
- Treasury will distribute funds to the local units of government for issuance of refunds of property taxes paid and reimbursement of property taxes cancelled.

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STC Approval

- If payment of ESA liability is not made within 45 days, an order of rescission for the EMPP exemption will be issued for 2021 and the parcel returned to the local assessment roll.

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STC Denials

- If the STC denies the application, it will issue a written notice to the local tax collecting unit and the owner of the personal property explaining the reason for the denial and advising the owner that the denial may be appealed to tax tribunal within 35 days after the date of the notice.

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Eligibility “Red Flags”

- Circumstances may require staff to request additional information from the taxpayer and/or local unit. These include, but are not limited to:
 - The EMPP exemption was not claimed on the parcel in 2020 and/or 2022
 - The business was incorporated in 2021
 - A claim of EMPP was properly filed by the taxpayer in one or more other locations in 2021
 - The parcel does not appear to meet the statutory definition of “eligible manufacturing personal property”

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Eligibility “Red Flags”

Reasons for denial may include, but are not limited to:

- Application and/or Combined Document are incomplete, or tax bills are not included
- Form 632 (Personal Property Statement) or Form 5076 (Small Business Tax Exemption Claim) was filed for the parcel in 2021
- Form 5278 was properly filed in 2021, but the EMPP exemption was denied by the local unit
- It is determined that Form 5278 was not filed in 2021 for reasons unrelated to COVID-19

2021 COVID-19 EMPP exemption claims Questions?

- Questions about the EMPP exemption or requirements of the act can be directed to the ESA Section at:
 - 517-241-0310
 - ESAQuestions@michigan.gov
 - www.Michigan.gov/esa