Property Tax Exemptions Administered by the Community Services Division of the Michigan Department of Treasury

Exemption Program Name	Industrial Facilities	Commercial Facilities	New Personal Property	Air Pollution Control	Water Pollution Control	Solar Energy Facility
Formal Act	Plant Rehabilitation and Industrial Development Districts Act (PA 198 of 1974)	Commercial Redevelopment Act (PA 255 of 1978)	New Personal Property Exemption (PA 328 of 1998)	Natural Resources and Environmental Protection Act (PA 451 of 1994, Part 59)	Natural Resources and Environmental Protection Act (PA 451 of 1994, Part 37)	Solar Energy Facilities Taxation Act (PA 108 of 2023)
Statutory Reference	MCL 207.551 to MCL 207.572	MCL 207.651 to MCL 207.668	MCL 211.9f	MCL 324.5901 to MCL 324.5908	MCL 324.3701 to MCL 324.3708	MCL 211.1151 to MCL 211.1165
Sample Certificate Number	2023-0000	4-23-000	000-2023	1-0000	2-0000	SEF-2024-001
Communities that Qualify	All	Cities and Villages	Eligible Distressed Areas and certain border communities	All	All	All
District or Zone Requirements	Plant Rehabilitation District or Industrial Development District	Commercial Redevelopment District	Refer to MCL 211.9f(11)(f) for a complete listing of qualifying districts	None	None	Solar energy district
Applicant Qualifications	Owner or lessee with tax liability	Owner or lessee with tax liability	Owner or lessee with tax liability	Owner or lessee with tax liability	Owner or lessee with tax liability	Owner or lessee
Types of Applications	New, Rehabilitation, or Speculative	New, Replacement or Restored	New	New	New	New
Entity that Issues the Exemption	STC	City or Village	State Treasurer	STC	STC	STC
Effective Date of the Exemption	12/31 following STC approval (with some exceptions for prior year effective dates)	12/31 following city or village approval	12/31 following issuance; however, all qualifying property purchased or acquired after local unit approval receives the exemption	12/31 following STC approval	12/31 following STC approval	12/31 following the date of issuance
Length of the Exemption	1-12 years, as set by the local unit	1-12 years, as set by the local unit	The local unit may set any term	Effective until revoked	Effective until revoked	20 years
Transfer Requirements	Local unit and STC approval	Local unit approval	Local unit approval	STC approval	STC approval	Local unit approval
Revocation Requirements	Applicant or local unit may request STC revocation	Local unit may revoke	Local unit may revoke	Applicant, local unit, or EGLE may request STC revocation	Applicant, local unit, or EGLE may request STC revocation	Applicant or local unit may request STC revocation
Construction Commencement Limitations	Cannot begin more than six months before the application is filed	Cannot begin before district is established and cannot begin more than 45 days before the application is filed	Property must be placed into service after the local unit approves the exemption	None	None	None
Minimum Investment Required?	No	No for New and Replacement; Yes for Restored	No	No	No	At least 2 megawatts of nameplate capacity
Type of Use	Industrial business enterprise, commercial activity, and personal property	Commercial business enterprise, but no housing	New personal property, but no eligible manufacturing personal property	Industrial air pollution control facilities	Industrial water pollution control facilities	Utility-scale solar energy generation facilities
Benefit of the Tax Exemption	50% property tax abatement for new facilities, taxable value frozen for replacement facilities	50% property tax abatement for new and replacement facilities, taxable value frozen for restored facilities	100% personal property tax exemption	100% sales, use, and property tax exemption	100% sales, use, and property tax exemption	$7,000 per MW of nameplate capacity; $2,000 per MW nameplate capacity under certain conditions; 50% for construction in progress

This chart is intended to be used solely as a resource to compare available exemptions. It should not be used to determine whether an individual or a business qualifies for a specific tax exemption. Individual statutes and official State Tax Commission policies are controlling in all instances.

(Revised July 2026)

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	Neighborhood Enterprise Zone	Attainable Housing	Residential Housing	Obsolete Property Rehabilitation	Commercial Rehabilitation	Charitable Nonprofit Housing
Formal Act	Neighborhood Enterprise Zone Act (PA 147 of 1992)	Attainable Housing Facilities Act (PA 236 of 2022)	Residential Housing Facilities Act (PA 237 of 2022)	Obsolete Property Rehabilitation Act (PA 146 of 2000)	Commercial Rehabilitation Act (PA 210 of 2005)	Charitable Nonprofit Housing Property Exemption (PA 612 of 2006)
Statutory Reference	MCL 207.771 to MCL 207.787	MCL 207.901 to MCL 207.916	MCL 207.951 to MCL 207.966	MCL 125.2781 to MCL 125.2797	MCL 207.841 to MCL 207.856	MCL 211.7kk
Sample Certificate Number	N2023-000 NEZ-2024-000	AHE-2023-0000	RHE-2023-0000	3-23-0000	C2023-000	23-000
Communities that Qualify	County seats and communities on the OPRA list; for workforce housing, all other communities	All	All	Must be on the OPRA list, which is published by the State Tax Commission (STC)	All	All
District or Zone Requirements	New, Rehabilitated, or Homestead NEZ; For Workforce Housing NEZ see MCL 207.773(7)(a)	Attainable Housing District	Residential Housing District	Obsolete Property Rehabilitation District	Commercial Rehabilitation District	None
Applicant Qualifications	Developer, builder, or owner	Owner	Owner	Owner	Owner	Owner
Types of Applications	New, Rehabilitated, or Homestead	New (new construction or rehabilitation but both are treated the same)	New (new construction or rehabilitation but both are treated the same)	Rehabilitation	Rehabilitation	New or Rehabilitation
Entity that Issues the Exemption	New or Rehabilitated – STC Homestead – Local Unit	STC	STC	STC	STC	STC
Effective Date of the Exemption	12/31 following STC approval (with some exceptions for prior year effective dates)	12/31 following STC approval	12/31 following STC approval	12/31 following STC approval	12/31 following STC Approval	12/31 following STC approval
Length of the Exemption	6-15 years (11-17 for qualified historic building) as set by the local unit	1-12 years, as set by the local unit	1-12 years, as set by the local unit	1-12 years, as set by the local unit	1-12 years, as set by local unit	3 or 5 years, depending on the type of exemption
Transfer Requirements	STC approval	Local unit approval	Local unit approval	Local unit approval	Local unit approval	STC approval
Revocation Requirements	Applicant or local unit may request STC revocation	Local unit may revoke	Local unit may revoke	Local unit may revoke	Local unit may revoke	Ends if property is transferred or leased
Construction Commencement Limitations	Cannot begin more than six months before the application is filed, unless it is approved by the local unit	Construction or rehabilitation of the facility cannot occur before 12/28/22	Construction or rehabilitation of the facility cannot occur before 12/28/22	Cannot begin prior to district establishment	Cannot begin more than six months before application is filed with the local unit	None
Minimum Investment Required?	No for New; Yes for Rehabilitated and Homestead	Yes	Yes	Yes	Yes	No
Type of Use	Residential housing; For Workforce Housing NEZ, one income-related test for the occupants	Rental housing property with 1-4 units with two income-related tests for the occupants	Rental housing property with more than 4 units with two income-related tests for the occupants	Commercial business enterprise including commercial housing property	Commercial business enterprise or multifamily residential use (5 or more units)	Charitable nonprofit housing property that is to be transferred to a low-income person
Benefit of the Tax Exemption	For new owner-occupied facilities, ½ the state average PRE rate; for other new facilities, ½ the state average commercial/industrial/utility rate; for rehabilitated facilities, taxable value is frozen	½ the state average tax rate for commercial, industrial, and utility property in the immediately preceding calendar year	½ the state average tax rate for commercial, industrial, and utility property in the immediately preceding calendar year	Taxable value frozen at value prior to issuance of certificate, pay school operating and state education tax on current value, subject to exclusion	Taxable value frozen at value prior to issuance of certificate, pay school operating and state education tax on current value	100% property tax exemption

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Revised July 2026