Michigan Tax Tribunal

Newsletter 2026-9 **November 12, 2026**

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Resignation of Judge Jesse Kirchner

Judge Jesse Kirchner, an at-large member of the Michigan Tax Tribunal, resigned effective October 29, 2026. We wish him well in his future endeavors.

Governor Whitmer Appoints New Michigan Tax Tribunal Member

On October 1, 2026, Governor Whitmer announced the appointment of Timothy Schnelle to the Michigan Tax Tribunal. Judge Schnelle is a retired attorney and is certified as a master level (MMAO IV) assessor by the Michigan State Tax Commission. He holds a Bachelor of Arts degree in economics from the University of Michigan, a Juris Doctor degree from Wayne State University Law School, and a Master of Science in Professional Accountancy degree from Walsh College. He has previously served as the Manager of Central Office Operations for the Property Services Division in the Michigan Department of Treasury. Judge Schnelle has been appointed as an at-large member, serving a partial term commencing November 8, 2026, and expiring June 30, 2027.

Hear on File Option

Parties to cases filed in the Tribunal's Small Claims division, who are unable to attend a scheduled hearing or choose not to do so, are reminded that they have the option to have their case heard on the file. This option is provided in Tax Tribunal Rule 277(1), which states:

> The tribunal may, upon a motion filed with the tribunal and served on the opposing parties not less than 28 days before the hearing scheduled in a contested case, conduct the

hearing on the file for the moving party. If the motion is granted, the tribunal shall render a decision based on the testimony provided by the opposing parties at the hearing, if any, and all pleadings and written evidence properly submitted by all parties not less than 21 days before the date of the scheduled hearing or as otherwise ordered by the tribunal.

To request that their case be case be heard on the file, parties should file a Request to Hear on File Form. This form may be found on the Tribunal's website or may be accessed here: Hear on File Request.

Submission of Exhibits in the Entire Tribunal

Unless otherwise directed in a Scheduling Order or Notice of Hearing, parties are *strongly* encouraged to e-file their exhibits to the Tribunal. As stated in Newsletter 2025-4, certain documents may also be emailed. This includes valuation disclosures filed with a Motion to Withhold, Entire Tribunal hearing and post-hearing exhibits and exhibit lists, and rebuttal evidence. While filing exhibits in paper form remains an option, this is not the preferred method as it is less reliable, with the possibility of exhibits getting lost in the mail or not being timely received. Submission of paper copies also increases the Tribunal's work as the copies must be scanned into the docket by Tribunal staff and ultimately purged from our files and discarded.

Recent Caselaw of Interest

- *James B Peterson v Spring Lake Twp*, unpublished per curiam opinion of the Court of Appeals, issued August 10, 2026. (Docket No. 375668.) (AFFIRMED) (MTT Docket No. 24-000699.)

James B. Peterson (Petitioner) appealed the Michigan Tax Tribunal's (MTT) dismissal of their appeal disputing Spring Lake Township's (Respondent) 2024 property tax assessment. Petitioner also claims that improvements made to the subject property were improperly included in the assessment and added as additions to the property's taxable value as the improvements were exempt under the Mathieu-Gast Home Improvement Act, MCL 211.27(2) (the Act).

In 2024, Respondent increased the subject property's assessment and applied a new construction market adjustment for renovations to the subject property. Petitioner appealed the assessment to Respondent's March Board of Review (BOR), asserting that the improvements were exempt. However, relying on building permits, the BOR denied Petitioner's appeal stating that the renovations were not exempt under the Act because the changes were upgrades. Petitioner appealed to the MTT, which held that although Petitioner submitted the 2023 building permits, the 2024 BOR decision, and some testimony, Petitioner failed to provide sufficient evidence as to (1) what renovations qualified under the Act, and (2) the subject property's value. As a result, Petitioner failed to meet their burden of going forward with the evidence and the appeal was dismissed.

Petitioner appealed by right to the Court of Appeals (COA). The COA upheld the MTT's decision, holding that Petitioner was unsuccessful in meeting their burden of proof. The Court had found that Petitioner provided no evidence of value under any of the three recognized valuation methods and failed to specify which renovations, if any, fell under the Act. Consequently, the COA found it unnecessary to consider whether the subject property's improvements should be treated as exempt home repairs under the Act and affirmed the MTT's dismissal of the appeal.

- *Sue Wilks and Matthew Wilks v Mich Dept Treasury* ___Mich ___;___ NW3d (2026). (AFFIRMED) (MTT Docket No. 24-000806.)

The Michigan Department of Treasury (Respondent) appealed the MTT's decision to grant Sue Wilks' and Matthew Wilks' (Petitioners) request for a principal residence exemption (PRE). Respondent claimed that the MTT erred in this decision because Petitioners filed a nonresident income tax return for the 2021 tax year.

In 2019, Petitioners, while residents of the State of Washington, purchased the subject property. In 2020, Sue Wilks moved to the subject property, established residency, and was granted a PRE, while Matthew Wilks maintained his residency in the State of Washington. In 2024, Respondent rescinded Petitioners' PRE for the 2020-2023 tax years, claiming that because Petitioners filed an out of state income tax return in 2021, they were not eligible to receive the PRE. Petitioners appealed to the MTT stating that they did not file an income tax return in 2020, nor did they receive an exemption similar to that of a PRE for their Washington property. Petitioners stated they did file joint tax returns for the 2021, 2022, and 2023 tax years, and that for the 2021 tax year, they mistakenly filed a nonresident return. However, once made aware of the error, Petitioners filed an amended 2021 tax return indicating Sue Wilks was a Michigan resident, and Matthew Wilks was a nonresident. Respondent agreed that Petitioners should be granted the PRE for the 2022 and 2023 tax years as those issues had been addressed and resolved but argued the denial should be upheld for the 2020 and 2021 tax years. The MTT found that because Petitioners filed an amended 2021 tax return identifying Sue Wilks as a Michigan resident, and because all other issues had been resolved, good cause existed to grant Petitioners' request for a PRE for all tax years at issue.

Respondent appealed by right to the COA, which found that an amended tax return effectively supersedes the original return, as Petitioners were merely fixing a clerical error. Additionally, MCL 211.7cc(3)(c) does not preclude a PRE where the taxpayer has amended a mistakenly-filed nonresident return to show resident status. As a result, the MTT decision was affirmed. DISSENT: Judge Riordan dissented, asserting that MCL 211.7cc(3)(c) unambiguously states that a taxpayer is not eligible for a PRE when they have "filed a nonresident Michigan income tax return." Additionally, Judge Riordan argues that by allowing Petitioners the ability to amend their returns, the door has been opened for potential gamesmanship resulting in financial benefits between states. Further, MCL 211.7cc is largely silent with regard to a taxpayer and their ability to amend a nonresident return to retroactively qualify for a PRE. As a result, Petitioners do not qualify for a PRE for the 2020 and 2021 tax years, and the MTT's decision should be reversed.

- *Trinity Health-Michigan and Trinity Health Corporation v City of Kentwood*, __ Mich __;__ NW3d__ (2026). (Affirmed in part and reversed in part.) (MTT Docket 20-001514.)

The City of Kentwood (Respondent) appealed the MTT's order granting summary disposition in favor of Trinity Health-Michigan and Trinity Health Corporation (Petitioners), finding Petitioners are entitled to a property tax exemption for the 2020-2022 tax years under MCL 211.7o.

The property, owned by Trinity Health-Michigan (the Hospital), was partially occupied by the Hospital for its administrative departments. A portion of the property remained vacant and was included on Respondent's tax roll until 2019, when Trinity Health Corporation (the Corporation) began utilizing a portion of the property. After Respondent denied Petitioner's exemption request for the 2020 tax year,

Petitioners appealed to the MTT. The 2021 tax year was subsequently added to the appeal. Both Petitioners and Respondent moved for summary disposition. The MTT ruled in favor of Petitioners, granting an exemption under MCL 211.7o for the 2020 through 2022 tax years.

Respondent appealed this decision to the COA, arguing that the MTT improperly included the 2022 tax year because Petitioners' motion only included the 2020 and 2021 tax years. The COA agreed and found that because Petitioners failed to support the 2022 tax year in their motion, the MTT improperly granted summary disposition in Petitioners' favor for the 2022 tax year.

Further, Respondent asserted that Petitioners did not qualify for an exemption under MCL 211.7o, challenging the MTT's analysis of the second, fifth, and sixth *Wexford*[1] factors, and arguing that Petitioners were not a charitable organization. In support of their argument, Respondent claimed that Petitioners had noncharitable purposes listed within their articles of incorporation. Respondent additionally claimed that Petitioners charge more than the amount required for successful maintenance, pointing to Petitioners' net financial gains, and claiming that salaries were excessive. However, the COA determined that essential support services fell within the scope of charitable activity. Furthermore, a charitable institution may pay their staff the necessary and reasonable amount for the work they provide; and net financial gains, when reinvested in the institution, support the finding that the institution operates charitably. Accordingly, the MTT did not err in finding that both the Hospital and the Corporation qualified as charitable organizations, and that the second, fifth and sixth factors favor Petitioners.

Finally, Respondent argued that Petitioners did not own and occupy the property for the purpose for which it was intended. While the Hospital provided sufficient evidence to support occupying 5,381 square feet of the property, it was unclear how many square feet the Corporation occupied. As a result, the COA found that the MTT erred in granting summary disposition with regard to the occupancy requirements established in MCL 211.7o(1) and (3) for the entire property as there remained genuine issues of material fact. Therefore, the MTT's decision relative to the 2022 tax year was reversed, and the decision with regard to the 2020 and 2021 tax year was affirmed in part and reversed in part.

[1] *Wexford Medical Group v City of Cadillac,* 474 Mich 192; 713 NW2d 734 (2006).