



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RACHAEL EUBANKS  
STATE TREASURER

**DATE:** June 17, 2021

**TO:** Margaret O'Brien, Secretary of the Senate  
Gary Randall, Clerk of the House  
Christopher Harkins, Director Senate Fiscal Agency  
Mary Ann Cleary, Director House Fiscal Agency

**FROM:** Joyce Parker, Deputy Treasurer,  
State/Local Finance

**SUBJECT:** Personal Property Audit Annual Report

Section 927 of P.A. 207 of 2018 provides that:

The department of treasury shall submit annual progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits and essential service assessment audits. The report shall include the number of audits, revenue generated, and number of complaints received by the department of treasury related to the audits.

The purpose of this communication is to report the personal property audits conducted during calendar year 2020 by the Department of Treasury or entities with which the Department contracted for the completion of any personal property tax audits.

The Essential Services Assessment (ESA) Section is authorized under the State Essential Services Assessment Act (PA 92 of 2014) to audit the ESA returns of eligible claimants of the personal property exemption under Sections 9m and 9n of the General Property Tax Act (PA 206 of 1893). Pursuant to that authority, the ESA unit began its audit program in earnest in 2018 with the first discoveries being reported to the ESA Division in December of that year.

During calendar year 2020, the ESA Section received two hundred and forty-three (243) audits of 2017 ESA returns, two hundred and sixty-two (262) audits of 2018 ESA returns, and two hundred and seventy-three (273) audits of 2019 ESA returns. Based on findings of these audits, the ESA Division billed one hundred and twenty-six (126) taxpayers for over \$220,724 in underpayments. Three (3) formal complaints of appeals pertaining to ESA audits were filed in 2020.