



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

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**Bulletin 21 of 2017**  
**November 28, 2017**  
**Omitted or Incorrectly Reported Property**

**TO:** Assessors, Equalization Directors, Treasurers, and Interested Parties  
**FROM:** State Tax Commission  
**RE:** Omitted or Incorrectly Reported Property

**Bulletin Nos. 2 of 1990, 12 of 2000, and 2 of 2004 are rescinded.**

**A. AUTHORITY TO CORRECT OMITTED OR INCORRECTLY REPORTED PROPERTY**

The State Tax Commission has the authority, pursuant to MCL 211.154 (Section 154 of the General Property Tax Act, MCL 211.1, *et. seq.*), to correct assessments in order to:

- Address the incorrect reporting of assessable property by a taxpayer, and/or
- Add omitted real and personal property to the assessment roll.

State Tax Commission Rule 31(2) further states that the State Tax Commission has jurisdiction to remove real property from the roll. Examples include, but are not limited to the following:

- (a) Incorrect measurement
- (b) Errors of inclusion, for example, pole barn not built or placed on an incorrect parcel.

The State Tax Commission does not have authority over a taxpayer request to remove personal property from the roll if that taxpayer fails to timely file a personal property statement. (STC Rule 31(1)). The State Tax Commission also does not have authority to add or remove property for a time period before the last change of ownership of the property. (STC Rule 31(3)).

Further, the State Tax Commission will not accept a dispute regarding the classification of property through the filing of a 154 petition. Disputes regarding classification should be addressed through the classification appeal process. (STC Rule 31(7)).

**B. SUBMITTING A PETITION**

The party seeking to correct the assessment must file a petition with the State Tax Commission requesting correction of the assessment and must also transmit a copy of the petition to the other interested parties. The form used will depend on who is filing the petition:

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- An assessor or equalization director who files a petition does so on Treasury Form L-4154 (627).
- A taxpayer or taxpayer's agent who files a petition does so on Treasury Form L-4155 (628).
- A third-party who wishes to notify the State Tax Commission of incorrectly reported or omitted property does so on Treasury Form L-4156 (629).

Supporting documentation is required for all petitions. The complete petition, along with all supporting documentation, must be transmitted to the other party (the taxpayer or the assessor, as the case may be) at the same time that it is transmitted to the State Tax Commission, seeking that party's concurrence to the requested change in the assessed and/or taxable value(s). For a complete list of items needed to process a petition, please review the "MCL 211.154 Checklist" which can be found at [www.michigan.gov/154petitions](http://www.michigan.gov/154petitions).

**C. PROCEEDINGS AFTER SUBMISSION OF A COMPLETE PETITION**

When a petition is received by the State Tax Commission, it is reviewed to determine that the petition is complete and that all required supporting documentation has been provided. The petition will also be reviewed to determine whether the requested change is within the jurisdiction of the Commission. Failure to file a complete petition or to provide supporting documentation may result in dismissal of the petition.

If the submission is complete, then further action will depend on whether the other party has concurred with the requested change in assessed and/or taxable values:

1. If the other party concurs, then the matter will be scheduled for action at the next State Tax Commission meeting without further notice to the parties, unless the Executive Director of the Commission, disagrees with the proposed change.
2. If the other party does not concur, or fails to enter either a concurrence or non-concurrence, or if the Executive Director of the Commission disagrees with the proposed change, then the matter will be scheduled before the Commission with notice to all parties, so that the parties and/or the Executive Director have the opportunity to be heard on the matter.

Once a matter has been scheduled, postponements will be granted only "for cause" and requests must be made at least 20 days prior to the meeting date. Postponements may be requested "for cause" less than 20 days prior to the meeting date but typically require the appearance of the party who is making the request at the meeting to seek postponement directly from the State Tax Commission.

The proceedings before the State Tax Commission are concluded by the entry of an Order. A person to whom property is assessed under Section 154 of the General Property Tax Act may appeal the State Tax Commission's Order within 35 days of the entry of the Order to the Michigan Tax Tribunal.

#### **D. PROCEDURE TO BE USED FOR DECREASES DUE TO SECTION 154 PROCEEDINGS**

When an assessed and/or taxable value is decreased due to a Section 154 petition, a refund of excess tax payments is made to the taxpayer by the county treasurer. The refund shall include interest at the rate provided under section 37 of the tax tribunal act, 1973 PA 186, MCL 205.737, from the date that the tax was initially paid to the date that the refund is made. The county treasurer shall charge a refund of excess tax payments to the various taxing jurisdictions in the same proportion as the taxes levied.

#### **E. COLLECTION PROCEDURES FOR INCREASES DUE TO SECTION 154 PROCEEDINGS**

When an assessed and/or taxable value is increased due to a Section 154 petition, the increased taxes are collected by the treasurer who has possession of the tax roll for the year of the assessment being changed.

Example: On December 6, 2016, the State Tax Commission orders an increase in the TV of real property for the years 2016, 2015, and 2014, as a result of a Section 154 petition. In this situation, the local unit treasurer collects the 2016 taxes and the county treasurer collects the 2015 and 2014 taxes.

The tax bill resulting from an increase in taxes due to an increased assessed and/or taxable value made pursuant to Section 154 shall be sent no later than 20 days after receipt of the State Tax Commission order certifying the amount of the change in assessed and/or taxable value. The tax bill is sent by either the local unit treasurer or the county treasurer depending on which treasurer has possession of the tax roll for the year of the assessment being changed. This procedure is the same for both real and personal property.

#### **Increases in Taxes for Real Property**

For increases in taxes for real property, if the additional taxes are not paid as of March 1 of the year following the State Tax Commission Order, the real property shall be returned as delinquent to the county treasurer and is subject to forfeiture, foreclosure, and sale as provided by sections 78 to 79a of the General Property Tax Act. **The time period for paying the tax without penalty or interest is the same as the CURRENT year's real property taxes billed on December 1 of the current year.**

Important Note: The delinquency provisions explained in the previous paragraph do not apply to real property subject to taxation under the following acts:

- PA 198 of 1974, sometimes referred to as the Industrial Facilities Tax Act.
- PA 282 of 1905 which provides for the assessment by the State of certain public utilities.
- PA 189 of 1953 which provides for the taxation of users of tax exempt property.
- PA 255 of 1978 known as the Commercial Redevelopment Act.

### **Increases in Taxes for Personal Property**

For increases in taxes on personal property, it is the view of the State Tax Commission that an increase in personal property taxes should be billed and collected in the same manner as the increase in real property taxes. That being the case, the billing for increased taxes shall be sent no later than 20 days after receipt of the State Tax Commission Order and the increase in personal property taxes should be collected by the treasurer having possession of the tax roll, using the same procedures which are used to collect the CURRENT year's personal property taxes billed on December 1 of the current year. However, MCL 211.154 provides that in the case of increased personal property taxes, penalty and interest at the rate of 1.25% per month, or fraction thereof, accrues from the date the taxes originally could have been paid without interest or penalty to the date of the issuance of the Commission's Order. In other words, the billing shall include penalty and interest if the original date for paying the tax billing in question without interest has passed. Even if the original bill for taxes was paid timely, the revised bill for omitted or incorrectly reported property might include penalty and interest on additional taxes due from the last day that the original tax billing could have been paid without interest and penalty, through the date of the State Tax Commission's Order.

If a corrected tax billing for the payment of additional personal property tax ordered by the State Tax Commission is not paid within 60 days of the date that the corrected billing is sent, Section 154 provides that penalty and interest at the rate of 1.25 % per month, or fraction thereof, will again begin to accrue until the bill is paid.

The State Tax Commission has determined that the following principles apply relating to the penalty and interest provisions for additional personal property taxes ordered pursuant to MCL 211.154:

1. The 1.25% per month penalty and interest is in lieu of all other possible charges for penalties and interest on increases in personal property assessments under MCL 211.154. No additional charges for penalty and interest, as addressed in MCL 211.44, may be added.
2. The Commission recommends that treasurers use March 1 as the day that winter taxes become delinquent, not February 15, for purposes of calculating the 1.25% charge on Section 154 orders.
3. September 15 is frequently the day that summer taxes become delinquent. However, some local units have summer billing due dates in their charters other than September 15. If this is the case, the treasurer should base the calculations for the 1.25% for Section 154 orders on the date provided for in the charter.
4. The reference to payment within 60 days after the corrected bill is issued, as contained in MCL 211.154(3), refers to the fact that, after entry of the State Tax Commission order, interest is computed to the date of issuance of the revised billing and no further interest accrues until the expiration of 60 days following the issuance of the revised bill. If the revised bill is not paid within said 60-day period, the 1.25% per month, or fraction thereof, again begins to accrue.

5. The 1.25 % interest and penalty procedure only applies to situations where the revised bill is sent after the last day that the bill for the tax originally could have been paid without interest and penalty. If the revised bill is sent before the last day that the tax originally could have been paid without interest and penalty then the normal collection procedures for the current year apply.

## F. CORRECTIONS, RECONSIDERATION, AND APPEALS

### Corrections

If it is determined that an order incorrectly states the existing parcel number, or the amount of the existing taxable value or assessed value, a technical amendment to the order may be requested by US mail or e-mail (Treas-154petitions@michigan.gov). Please include adequate information on the changes that must be made.

### Reconsideration

The State Tax Commission *may* reconsider its determination. The State Tax Commission is more often willing to reconsider its determination if both the taxpayer and the assessor agree that a mistake was made and the State Tax Commission finds that there is an adequate factual basis for determining that a mistake occurred. **A request for reconsideration does not extend the time for filing an appeal to the Michigan Tax Tribunal.**

### Appeals

If the change which is sought is of a substantive nature, rather than a correction as referenced above, an appeal of the State Tax Commission's determination must be filed with the Michigan Tax Tribunal, within 35 days of the State Tax Commission's determination. The State Tax Commission record in each case shall be available to the Michigan Tax Tribunal for subsequent proceedings. More information on how to file an appeal with the Michigan Tax Tribunal can be found at [www.michigan.gov/taxtrib](http://www.michigan.gov/taxtrib) or by calling the Michigan Tax Tribunal at (517) 373-4400.

## G. ADDITIONAL INFORMATION

**Additional information relating to the administration of MCL 211.154 can be found at [www.michigan.gov/154petitions](http://www.michigan.gov/154petitions). The information available includes:**

- Status of 154 Petitions
- Petition Forms
- 154 Petition Orders
- State Tax Commission meeting schedules and agendas
- General Property Tax, Act 206 of 1893, which includes MCL 211.154
- State Tax Commission Rules related to Section 154