

**MICHIGAN DEPARTMENT OF TREASURY**

**Public Act 207 of 2018, Section 221 - Reporting Requirement**

Each department and agency shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house of representatives standing committees on appropriations subcommittees of general government, the joint committee on administrative rules, and the senate and house fiscal agencies.

**Tax Policy Bureau**

**2018 Public Acts 1 and 2 (SBs 94 and 95)**

These acts accelerated the amount allowed for sales and use “tax on the difference” and distinguished motor vehicle trade-ins from recreational trade-ins. Prior to the acts, a trade-in deduction from the measure of tax base was allowed for sales by and purchases from a dealer of motor vehicles or recreational vehicles, limited to the agreed-upon value of the traded-in motor or recreational vehicle or a specified dollar amount, whichever was less. According to a phased-in schedule in the statute, the limit increased by \$500 each year, which resulted in a limit of \$4,500 for 2019. When the limit exceeded \$14,000, the deduction became unlimited and the full agreed-upon value of the traded-in motor or recreational vehicle could be deducted from the tax base.

PAs 1 and 2 distinguished trade-ins of motor vehicles from recreational vehicles. For motor vehicles, the 2019 limit was increased to \$5,000, and the annual increase was accelerated from \$500 to \$1,000 each year. The cap is removed once it exceeds \$14,000.

Beginning January 1, 2018, PAs 1 and 2 allow for the full agreed-upon value of a recreational vehicle traded in toward the sale/purchase of another recreational vehicle to be deducted from the measure of the tax base.

No changes were required to implement this act.

**2018 Public Acts 31 and 32 (HBs 4950 and 5047)**

These acts codified Treasury’s position (previously published in a notice available on its website) that health maintenance organizations (HMOs) were not subject to the premiums tax under the CIT.

No changes were required to implement this act.

### **2018 Public Act 38 (SB 748)**

The Federal Tax Cut and Jobs Act (TCJA), amended federal personal and dependent exemptions, decreasing them to \$0, beginning with tax year 2018. In Michigan, the federal exemption provisions were used to determine the number of state income tax exemptions that a taxpayer was eligible to claim. The TCJA effectively repealed Michigan personal and dependent exemptions. This act amended Section 30(2) of the Michigan Income Tax Act, MCL 206.30(2), to restore the personal and dependency exemptions for taxpayers filing Michigan Individual Income Tax Returns, beginning with tax year 2018. Each taxpayer may claim one personal exemption and a personal exemption for each individual who is the taxpayer's dependent. The bill defines "dependent" as it is defined in IRC 152. The state personal exemption amount will increase annually.

The Individual Income Tax forms and instructions were updated to reflect that personal and dependency exemptions are no longer based on the number of exemptions claimed on the taxpayer's federal return. Treasury issued a public notice regarding the act.

### **2018 PA 103 (SB 623)**

The act provided a technical fix to give effect to an extension to a renaissance zone that had been granted after a statutory deadline. The deduction available for residents of renaissance zones under the Michigan Income Tax Act was generally eliminated by legislation effective in 2012, but zones extended or approved prior to December 31, 2011 were grandfathered in under the law. A renaissance zone in Saginaw received an 8-year extension in 2014 that was technically inoperative. PA 103 inserted remedial language into the Michigan Income Tax Act to allow for the 2014 extension of the Saginaw renaissance zone to be given legal effect.

No changes were required to implement this act.

### **2018 Public Acts 113 and 114 (HBs 5461 and 5464)**

These acts expanded the agricultural production exemption from the sales and use tax acts. The acts expanded the exemption to certain greenhouses and other structures that that can be removed from real property and reassembled elsewhere with little or no damage to the structure or greenhouse. The acts also expanded the exemption by including property that is indirectly used for agricultural production in the exemption. Finally, the acts added a new exemption for tangible personal property that is specifically designed for, and directly used in, harvesting aquatic vegetation from waterways located in Michigan.

Treasury issued a notice regarding the changes made by the Acts on April 27, 2018. Additionally, Treasury is in the process of publishing a new Revenue Administrative Bulletin regarding the expansion of the agricultural production exemption.

### **2018 Public Act 118 (HB 5091)**

The act amended Section 711 in Part 3 of the Michigan Income Tax Act, MCL 206.711, to revise due dates and methods of filing withholding statements and returns with Treasury. Section 711 requires every person who is required to withhold income tax to annually produce a statement of the total income paid during the year and the amount withheld. Section 711 requires an annual reconciliation return to be filed, now due January 31.

Withholding statements were due January 31, 2019. Instructions for annual returns and the Michigan Income Tax Withholding Guide (Form 446) were updated.

### **2018 Public Act 161 (SB 647)**

The Michigan Income Tax Act allows a qualifying claimant to claim a credit for heating fuel costs for his or her Michigan homestead. Various factors are used to determine whether a claimant is qualified for the credit, including total household resources, the number of exemptions claimed and the heating costs. The credit is available only when there has been a federal appropriation for block grant funds. 2014 PA 523 amended the Michigan Income Tax Act to revise the calculation of the credit when federal block grant funds are less than the full credit amount, requiring a minimum funding level for weatherization assistance program from fiscal year 2014-2015 to 2016-2017. To ensure that the weatherization assistance program would continue, the weatherization assistance requirement was extended to fiscal year 2021-2022. Beginning in 2018, the Michigan Department of Health and Human Services (DHHS) is required to submit a report on the weatherization program to legislative committee members by July 1 each year. A claimant may claim a home heating credit only if the claimant provides Treasury with all information requested by the DHHS that is necessary to comply with requirements of the federal grant program.

The act extended the expired federal block grant funding of the weatherization assistance program through fiscal year 2021-2022. Treasury must continue to match a claimant's benefit income from the Social Security Administration and other sources to verify the accuracy of the home heating credit claims filed for mandatory federal reporting requirements and to deter fraudulent filings.

### **2018 Public Acts 167 and 168 (HBs 5621 and 5620)**

These acts allow purchasers to request sales or use tax refunds directly from Treasury rather than obtaining a refund from the seller, who in turn claims a refund from Treasury after proving that tax was refunded to the customer. Beginning January 1, 2019, a purchaser may claim a refund from Treasury when the purchaser failed to present a claim of exemption or otherwise notify the seller of an available exemption at the time of purchase. All refund claims made by a purchaser must be made within 4 years of the original date of purchase. In addition, the purchaser is required to submit certain specified information alongside its claim, including a statement signed

by the seller indicating that the seller paid tax on the original transaction and has not, and will not, seek a refund of that tax.

A new form and instructions were developed for refund claims specific to PAs 167 and 168. Treasury published two newsletter articles in Treasury Update.

### **2018 Public Act 172 (HB 4643)**

The act amended MCL 207.526(u) which exempts certain transfers from the State Real Estate Transfer Tax (SRETT). There are several qualifying factors for a property owner to claim the exemption when he or she sells his or her principal residence. The amendment changed the qualifying factor for the state equalized value (SEV) dates used to determine whether the SEV has decreased since the owner acquired the property. After the amendment, the determination is made based on the SEV at the time of sale being equal to or less than the SEV on either the first Tax Day (December 31) after a certificate of occupancy was issued, or the date of the seller's acquisition of the property.

Form 2796 (*Application for State Real Estate Transfer Tax Refund*) and its instructions were updated to reflect the amendment.

### **2018 Public Acts 173-75 (SBs 992-94)**

These acts repeal the Health Insurance Claims Assessment Act (HICAA), removes a provision in the Use Tax Act that provides for the reinstatement of the Medicaid managed care use tax in certain circumstances, and creates the Insurance Provider Assessment Act (IPAA), a new health care-related tax with a fixed and variable rate structure. The IPAA is administered by Treasury pursuant to the Revenue Act.

Pursuant to the application of Public Act 173, HICAA was repealed effective October 1, 2018. Public Act 175 creates the IPAA, a replacement for the HICAA that institutes a new multi-tiered health insurance tax, which applies at varying rates to non-Medicaid health insurers, prepaid inpatient health plans (providers of Medicaid behavioral health services), and Medicaid managed care services. The revenue produced by the IPAA supports Michigan's Medicaid program. The IPAA became effective October 1, 2018.

In order to implement these bills, Treasury published on its website several Notices to Taxpayers regarding the repeal of HICAA and the transition to the IPAA; created a specialized form for the annual assessments required by the IPAA; created a system to accept electronic payments from and provide account information to IPAA taxpayers; worked extensively with the Department of Insurance and Financial Services and the Department of Health and Human Services to identify IPAA taxpayers and obtain the data necessary to generate the annual assessments required by the IPAA; spearheaded the presentation of a half-day, multi-departmental, in-person training session for IPAA taxpayers; video-taped the training session for inclusion on Treasury's website; and answered many telephone calls and emails from both HICAA taxpayers and IPAA taxpayers regarding the repeal of HICAA and the transition to the IPAA. Treasury accomplished all of the above using existing resources.

### **2018 PA 201 (SB 887)**

The act amended the Use Tax Act to provide a limited use tax exemption for contractors who acquire property for affixation to real estate if the property was purchased by another person who is not exempt from sales or use tax and the property was acquired by the contractor for the sole purpose of affixation on behalf of that other person. The exemption is retroactive to all periods within the statute of limitations.

Implementation of this exemption has required technical updates to various forms of Treasury guidance, some of which is still ongoing. Treasury published a general summary of the change in law in the September 2018 edition of the Treasury Update Newsletter. Treasury is currently in the process of reviewing and updating its Contractor Audit Manual, Revenue Administrative Bulletin (RAB) 2016-18, and the Michigan Tax Text. Forms and instructions will also be updated throughout 2019.

### **2018 Public Act 222 (SB 1016)**

The Corporate Income Tax (Part 2 of the Income Tax Act) levies a tax on insurance companies equal to 1.25% of gross direct premiums written on risk located or residing in Michigan. This act taxes a portion of that tax base at a different rate. Beginning January 1, 2019, gross direct premiums attributable to qualified health insurance premiums are taxed at 0.95%. “Qualified health insurance policies” are now defined in section 635.

Beginning with calendar year 2020, the rate for premiums attributable to qualified health policies is subject to change annually. A calculation is included in this act whereby Treasury computes the preceding year’s “savings” to all insurance companies as a result of the reduced rate and sets the rate for the current tax year so that the annual savings should not exceed \$18,000,000. If a year’s savings ultimately exceeds \$18,000,000, the following year’s rate will be increased enough to make up for that overage, and vice versa. Treasury’s rate calculation must be completed by each October 1.

Forms, instructions, tax processing systems, and e-file programming for internal and external stakeholders will be significantly revised. Treasury published a newsletter article in Treasury Update, which is available on Treasury’s website.

### **2018 Public Act 249 (HB 4115)**

The act amends a limited exemption from sales tax for sales made *by* certain nonprofit entities. Prior to the act, sales of tangible personal property for fund-raising purposes by a school, church, hospital, parent cooperative preschool, or other nonprofit organization (generally those organizations exempt from income tax under internal revenue code section 501(c)(3) or (4)) that had aggregate sales at retail in a calendar year of less than \$5,000 were exempt from tax. If the entity’s annual sales exceeded \$5,000, tax was due on all sales, including the first \$5,000. In

addition, if the entity collected tax from its customers, it was required to remit the tax to the state or refund it to its customer, regardless whether the sales were exempt.

This increased the limit on exempt sales and created a separate limit on aggregate sales. Now, an eligible nonprofit entity may qualify for the exemption only if it has aggregate sales at retail in the calendar year of less than \$25,000. If a nonprofit qualifies, its first \$10,000.00 of sales of tangible personal property for fund-raising purposes is exempt.

Instructions for forms will be updated accordingly. Treasury published a newsletter article about the change in Treasury Update, which is available on Treasury's website.

#### **2018 Public Act 309 (HB 6004)**

The act amended Michigan Income Tax Act (MITA) section 527a which provides, for qualified claimants, a credit for home heating fuel expenses. The bill deleted section 527a(20) from the MITA, which had required the Treasurer to notify certain members of the state Legislature each fiscal year that the federal low-income home energy assistance program block grant allotment was less than the full home heating credit amount.

The reporting procedure that was in place prior to the amendment was eliminated.

#### **2018 Public Act 460 (SB 361)**

The act amended Part 2 of the Corporate Income Tax, specifically the tax on financial institutions, to redefine the tax base of a bank or a unitary business group of banks for tax years beginning 2019 as the amount reported by the top-tiered or highest level entity on certain federal regulatory reports filed with the Federal Financial Institutions Examination Council, a change known as top-down reporting. The act also eliminated the five-year averaging of equity capital in the tax base for tax years beginning after December 31, 2020.

Forms and instructions will need significant revision before the 2019 filing season. Forms will need to be revised again for the 2021 filing year to eliminate the five-year averaging of equity capital. Treasury is drafting a Revenue Administrative Bulletin to provide guidance on the new law.

#### **2018 PA 530 (HB 5913)**

The act creates a limited exemption of sales to veterans' organizations exempt from federal income tax under IRC 501(c)(19). In order to be eligible for the exemption, property must be used primarily to carry out the purposes of the organization or to raise funds or obtain resources necessary to carry out the purposes of the organization as stated in the bylaws or articles of incorporation of the exempt entity.

In addition, there is a price limitation for some types of property. Specifically, the exemption does not apply to the sale of any single item used for fundraising purposes or to obtain resources if the sales price of the item exceeds a specified amount. For veterans' organizations, the amount for any single item must not exceed \$25,000.

Instructions for forms will be updated accordingly. Treasury published a newsletter article about the change in Treasury Update, which is available on Treasury's website.

#### **2018 Public Act 588 (HB 4991)**

The act amends the Michigan Income Tax Act to allow a taxpayer to deduct compensation received in the tax year under the Wrongful Imprisonment Compensation Act to the extent included in AGI. The act excludes compensation received for wrongful imprisonment from "total household resources," which is used to calculate the homestead property tax credit.

Instructions for the MI-1040 will be updated to reflect the exemption from AGI for any wrongful compensation that a taxpayer may have included in federal AGI. Effective for tax years after 2018.

#### **2018 Public Act 589 (HB 4522)**

The act provides an additional personal exemption in the tax year in which the taxpayer has a certificate of stillbirth from the Department of Health and Human Services.

Forms and instructions for the MI-1040 will be updated to reflect the exemption effective beginning with tax year 2019.

#### **2018 Public Acts 673 and 679 (SBs 906 and 907)**

These acts created new sales and use tax exemptions for the purchase, sale or lease of a school bus (or transportation-related services) and certain parts and equipment affixed or to be affixed to a school bus; provided that the school bus (or services) are primarily used by the taxpayer to fulfil its contractual obligations with a school for the transportation of school pupils (preprimary, primary, or secondary) to or from a school or authorized school-related events. The exemptions take effect March 29, 2019.

Under these acts, if the school bus is used to provide transportation-related services other than to or from a school (or authorized school-related event) to a nonexempt entity, then the amount paid for those services by the nonexempt entity is not exempt under these new exemption provisions.

These acts define the term "school" to mean a "public school" or "public school academy" as those terms are defined in MCL 380.5 and the term "school bus" to have the same meaning as that term is defined in MCL 257.1807.

Treasury published a newsletter article in Treasury Update regarding the new exemption, which is on Treasury's website.

## **Property Services Division**

### **2018 Public Act 660 (HB 6049)**

The act raises the quality of standards for property tax administration and works to ensure the constitutional requirements of uniformity are met for all taxpayers. The Act establishes minimum statewide property assessing quality standards while providing cities and townships flexibility, control and resources for implementation beginning December 31, 2021. The Act provides for the creation of Designated Assessors to serve units that remain deficient after multiple opportunities for correction until those deficiencies are structurally addressed. The Commission is required under the Act to adopt and publish guidelines to implement the provisions of the Act. To meet these objectives, this enacting section of the Act addresses future funding for board of review and assessor training.

Property Services Division updated guidance and engaged in staff trainings to explain the statutory changes and to respond to inquiries. The Act will require the State Tax Commission to publish policy guidance over the next two years stating the minimum standards and model policies to be followed for substantial compliance, amend the Commission's promulgated rules, issue new forms and require software and systems changes for approved computerized assessment mass appraisal (CAMA) software vendors. An IT system will be required to be developed and implemented to comply with the statutory mandates in order to perform audits of minimum assessment requirements in connection with the initial audits and corrective action plans submitted. To accomplish these tasks, Treasury will review and request additional FTEs and funding for the audit system, start-up, training and education of local unit assessors and board of review members for implementation of these reform measures.

### **2018 Public Acts 541 and 505 (HBs 6053-54)**

These acts revise the deadline for full payment an Essential Services Assessment (ESA)/Alternative ESA and late payment penalty from October 15 of the assessment year to the April 15 immediately following the assessment year. The acts also changed the late payment penalty charged after the August 15 payment deadline from 1% per week up to maximum 5% to 3% month up to a maximum 27%.

Forms, instructions, guidance documents, and training materials were updated to accommodate these changes. The ESA and MTO systems utilized by taxpayers to file their ESA statement and pay their ESA/Alternative ESA tax require programming changes to accommodate the new deadline, late payment penalty, and the ESA tax year now encompassing 2 different calendar years. ESA staff updated the forms, instructions, guidance and training materials. Treasury incurred immediate costs for IT and system changes to implement this Act upon passage and will



require additional funding resources to cover the anticipated \$1.0 million needed for ESA and MTO system changes and testing.

### **2018 Public Act 132 (HB 5261)**

The act made changes to the Small Business Taxpayer Exemption in MCL 211.9o, specifically changing the filing requirements to provide that eligible taxpayers do not have to annually file to receive the exemption. Taxpayers will file Form 5076 to claim the exemption. Once granted, the assessor will then continue to exempt the personal property until the taxpayer files a recession indicating they no longer qualify for the exemption. Assessors may implement an audit program to determine if taxpayers still qualify for the exemption. Taxpayers who fail to file the recession are subject to significant penalties and interest.

Forms and instructions were updated to accommodate the filing changes to claim the small business taxpayer exemption. The State Tax Commission's FAQs, bulletins and training materials were updated to document the changes. Treasury accommodated these needs within existing resources.

### **2018 Public Act 133 (HB 4905)**

The act amended the General Property Tax Act to remove a requirement that a property must be unoccupied for an individual who resides in a nursing home or assisted living facility to continue to claim a principal residence exemption (PRE) on the property. It also allows the exemption to continue for a situation in which the individual is residing in "any other location," if the individual is residing there solely for purposes of convalescence.

Property Services Division staff required additional training to accommodate these changes. Assessors were provided additional information explaining the statutory changes to help ensure assessors applied the new statutory criteria for claiming and receiving the principal residence exemption. The Principal Residence Exemption website, existing guidance and assessor training courses required updating. Treasury accommodated these needs within existing resources.

### **2018 Public Act 633 (HB 5454)**

The act amends MCL 211.7cc regarding the principal residence exemption. This Act allows an owner of property who previously occupied and claimed the property as a principal residence, but has vacated the property due to damage or destruction by an accident, act of God, or act of another person without the owner's consent, to retain the principal residence exemption on that property for the tax year in which the damage or destruction occurred and the two immediately succeeding tax years. In order to retain the exemption, the owner must satisfy all of the following conditions to demonstrate an intent to return to the property: 1) The owner continues to own the property while absent due to the damage or destruction; 2) The owner has not established a new principal residence; 3) The owner provides for reconstruction of the principal

residence for purposes of occupying the reconstructed dwelling upon its completion; and 4) The property is not occupied, leased, or used for any business or commercial purpose.

Property Services Division staff updated guidance and engaged in staff trainings to explain the statutory changes. Assessors were provided notice of the statutory changes and guidance was updated to document these changes. Training materials for assessors, county treasurer's and other stakeholders have also been updated. Treasury accommodated these needs within existing resources.

## **Financial and Administrative Services Division**

### **2018 Public Act 427 (HB 5254)**

The act requires the fingerprinting of certain public employees for the purpose of receiving criminal history record information from the department of state police and the Federal Bureau of Investigation (FBI); to provide for the powers and duties of certain state and local governmental officers and entities; to provide for the collection of fees; and to prohibit the release of certain information and prescribe penalties.

This law was enacted in compliance with IRS Publication 1075 which requires fingerprinting for all Agency employees with access to Federal Tax Information on their behalf. Treasury, as part of its hiring process, will conduct a background check on all candidates, contractors, and sub-contractors using Internet Criminal History Access Tool (ICHAT). The background check will also include fingerprinting, for employees with access to FTI on Treasury's behalf, as required by IRS, based on the position and risk designation associated with the position. Employment candidates and potential contractors with unfavorable background checks will not be hired. Forms and processes were updated, and a fingerprint policy was created. Treasury is working with Michigan State Policy to set up an Agency account in compliance with State and FBI fingerprinting requirements. This act will cost the Department \$52K based on the \$42 fee and the costs will be assumed under appropriations.

## **Student Financial Services Bureau**

### **2018 Public Act 227 (SB 941)**

The act amends the State School Aid Act of 1979, as amended, to establish the Marshall Plan for Talent and appropriate \$100 million for the program; the monies are appropriated from the Michigan Higher Education Loan Authority (a part of the Michigan Finance Authority). The purpose of the program is to improve this State's talent pool by training citizens for high-demand career fields, providing educational supports, expanding career exploration opportunities, and supporting innovative teachers and curriculum. This program is a joint effort between the Michigan Department of Treasury, Michigan Department of Education, Michigan Department of Technology and Budget, and Michigan Department of Talent and Economic Development.

Specifically, the act allocates a portion of the \$100 million to the Office of Student Scholarships and Grants within the Student Financial Services Bureau at Treasury-Higher Education. \$20 million allocated to Scholarships for low income students. \$2.44 million in grants to university for coaching staff. \$760,000 for administrative costs to implement the program.

Student Scholarship and Grants Office Staff created the appropriate processes as outlined in the public act and the IT infrastructure needed to issue scholarships efficiently, as is the case with most scholarships administered by Treasury-Higher Education. Office of Accounting Services and Office of Departmental Services supported Higher Education through the appropriate setup of coding and purchase orders in the state -wide accounting system as well as monitoring and reporting of expenditures incurred to date.

### **Collection Services Bureau**

#### **2018 Public Acts 43-50 (HBs 5040-44; SBs 613, 625; HBs 5046, and 5079)**

These bills amended the Driver Responsibility Fee Act that provided for the Michigan Department of State to charge a fee when certain driving infractions occurred. This Act also provided for the Department of Treasury to collect this fee.

Specifically, the amendments required the Michigan Department of Treasury and Michigan Secretary of State's Office to work together to eliminate all Driver Responsibility Fees and cease all collection activity on October 1, 2018. Additionally, the package allowed for all individuals who entered into a payment plan on or before February 1, 2018 and had their Driver Responsibility Fees eliminated with Michigan Department of Treasury to be notified of this debt elimination. Finally, it allowed individuals to participate in a qualifying workforce development program consisting of at least 10 hours of participation to satisfy the debt.

Collection Services Bureau staff required additional training to accommodate these changes. Multiple new forms were created, and existing forms and processes were updated to allow for these changes. Treasury implemented these changes within existing resources.

### **Office of Revenue and Tax Analysis**

#### **2015 Public Act 179 (HB 4370)**

Several changes enacted in Public Act 179 of 2015 took effect for tax year 2018. The changes included:

- A higher maximum credit, from \$1,200 to \$1,500;
- A lower nonrefundable percentage, from 3.5% to 3.2%;
- Higher limits on total household resources for eligibility; and
- A higher percentage of rent applied to property taxes, 23%.

ORTA worked with Tax Processing and others to ensure the changes were incorporated on the 2018 tax forms and systems. Policy changes were implemented using existing funds.

**2018 Public Act 38 (SB 748)**

The act changed the statutory basis for the personal exemption in response to federal legislation and increased the personal exemption amount for tax years 2018 and following.

ORTA worked with Forms, Documentation and E-File Services to ensure the tax forms for 2018 were updated. In addition, ORTA prepared revised withholding tables for pension benefits and assisted with the preparation of wage withholding tables and instructions. Policy changes were implemented using existing funds.

**2018 Public Act 588 (HB 4991)**

The act amended the earmarking of income tax revenues to lower the percentage of gross collections earmarked for the School Aid Fund, create a new earmark to the Renew Michigan Fund, and increase the earmark to the Michigan Transportation Fund for fiscal years 2019 and 2020.

ORTA worked with the Office of Accounting Services to ensure the new earmarks were applied correctly for fiscal year 2019. Policy changes were implemented using existing funds.

**2018 Public Acts 247 and 248 (HBs 5086 and 5908)**

These acts amended the Local Community Stabilization Authority Act (PA 86 of 2014). The amendments changed reporting deadlines, added new reporting requirements, changed the personal property tax reimbursement calculation, added a distribution for fire protection service payments calculated by the Department of Licensing and Regulatory Affairs, created a correction process, and added requirements for the allocation of the revenue received.

The Department of Treasury notified municipalities and municipal associations of the changes associated with the personal property tax reimbursements. Forms and instructions were updated to accommodate the deadline changes and created for the correction process. Treasury implemented these changes within existing resources.

**2018 Public Act 616 (HB 6348)**

The act amended the Local Community Stabilization Authority Act (PA 86 of 2014). The amendments expanded the distribution for fire protection service payments calculated by the Department of Licensing and Regulatory Affairs starting in 2019, added a distribution for allowable costs of health services calculated by the Department of Health and Human Services starting in 2019, changed the calculation of personal property tax reimbursements starting in 2021, and added long-term funding for the Local Community Stabilization Authority.

The Department of Treasury will implement these future year changes within existing resources.

**2018 Public Act 51 (Senate Bill 400)**

The act amended the Emergency 9-1-1 Service Enabling Act (PA 32 of 1986). The amendments changed the surcharge amounts collected and changed the allocation of the distributions.

The Department of Treasury amended the surcharge forms and instructions. Retailers and Service Suppliers were informed of the changes in the law, along with the effective dates of the rate changes. The distribution methodology was adjusted to account for the changes in the allocations. Treasury implemented these changes within existing resources.