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DEPARTMENT OF TREASURY
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Qualified Errors

TO: Assessors and Equalization Directors
FROM: Michigan State Tax Commission
SUBJECT: Qualified Errors under MCL 211.53b

Bulletin 20 of 2020 is rescinded.

This Bulletin addresses July and December Board of Review authority under MCL 211.53b. Additional information regarding Board of Review authority can be found in the [State Tax Commission Board of Review Q&A](#).

The July and December Boards of Review may correct Qualified Errors for the current year plus the immediately preceding year that have been previously verified by the Assessor. Qualified errors are defined in MCL 211.53b(6) as:

- a) A clerical error relative to the correct assessment figures, the rate of taxation, or the mathematical computation relating to the assessing of taxes.
- b) A mutual mistake of fact.
- c) An adjustment under section 27a(4) (taxable value) or an exemption under section 7hh(3)(b) (qualified start-up business exemption). Note: a correction under 27a(4) can be made for the current year and up to three preceding years.
- d) An error of measurement or calculation of the physical dimensions or components of the real property being assessed.
- e) An error of omission or inclusion of a part of the real property being assessed.
- f) An error regarding the correct taxable status of the real property being assessed.
- g) An error made by the taxpayer in preparing the statement of assessable personal property under section 19.
- h) An error made in the denial of a claim of exemption for personal property under section 9o.
- i) An issue beyond the control of a disabled veteran or his or her unremarried

surviving spouse that causes a denial of an exemption under section 7b. An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse means an error made by the local tax collecting unit in the processing of a timely filed exemption affidavit or a delay in the determination by the United States Department of Veterans Affairs that a veteran is permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.

Clerical Error was defined by the Court of Appeals in *International Place Apartments v Ypsilanti Township* 216 Mich App 104; 548 NW2d 668 (1996), as “an error of a transpositional, typographical, or mathematical nature.” July and December Boards of Review are not allowed to revalue or reappraise property when the reason for the action is that the assessor did not originally consider all relevant information. Lost or misplaced paperwork is not a clerical error.

Mutual Mistake of Fact was defined by the Court of Appeals in *Ford Motor Co v City of Woodhaven*, 475 Mich 425; 716 NW2d 247 (2006) as “an erroneous belief, which is shared and relied on by both parties, about a material fact that affects the substance of the transaction.” The Michigan Supreme Court in *Briggs Tax Service, LLC v Detroit Public Schools*, 485 Mich 69; 780 NW2d 753 (2010) indicated that to qualify, the mutual mistake of fact must be one that occurs only between the assessor and the taxpayer.

Examples of Qualified Errors

An error of measurement or calculation of the physical dimensions or components of the real property being assessed:

1. A building is listed on the record card sketch as 60' x 100', priced as 6,000 square feet, and valued accordingly on the roll. A field inspection reveals that the building dimensions are actually 60' x 90', and that 5,400 should have been priced.
2. A building is properly listed on the record card sketch as 60' x 100', erroneously priced as 5,600 square feet, and valued accordingly on the roll. A desk review reveals the error.

Note: Errors of measurement or calculation may include building height errors or floor area perimeter multiplier errors.

An error of omission or inclusion of a part of the real property being assessed:

1. Error of omission – A 1200 square foot house had a 500 square foot addition. The addition was taken as assessed/equalization new, but was not taken as a capped value addition, and so, was not included in the taxable value.
2. Error of inclusion – A pole barn was erected on parcel 'A' but is erroneously assessed to parcel 'B'. The 'error of inclusion' pertains to parcel 'B'. An 'error of omission' pertains to parcel 'A'.

Note: This change in jurisdiction is limited to situations where part of the real property is at issue. Issues involving the entire real parcel or involving personal property are not included under this subsection.

Note: Omitted property may be added under this section for the current year and the immediately preceding year only may still be added under MCL 211.154 for the current year and two prior.

An error regarding the correct taxable status of the real property being assessed.

1. A charitable non-profit corporation that qualified for exemption under MCL 211.7o sent a letter with proper documentation to the assessor and requested exemption. The assessor failed to grant the exemption.
2. A church purchased the house next door in November (deed delivered) and was immediately used as a parsonage. The parcel qualified for exemption under MCL 211.7s. The deed was recorded in January, but the copy of the deed failed to reach the local assessor. The parcel had an assessed and taxable value at the close of the March Board of Review.

An error made by the taxpayer in preparing the statement of assessable personal property under section 19.

1. A taxpayer reported newly acquired office furniture in Section B, 'Machinery and Equipment' of the personal property statement. It should have been reported in Section A, 'Furniture and Fixtures'.
2. A taxpayer reported newly acquired office furniture in Section A, 'Furniture and Fixtures', on the top line and entered the amount paid for the items in the purchase of the total property. It was discovered by the assessor after the close of the March Board of Review that the previous owner had reported a different acquisition cost new for the office furniture five years earlier.

Note: In the case where a personal property statement was not filed in a timely fashion, the act does not permit the assessor to change an estimated assessment made in the absence of a filed statement.

An error made in the denial of a claim of exemption for personal property under section 9o.

1. A taxpayer timely filed the affidavit to claim the Small Business Taxpayer Exemption for personal property. The assessor failed to grant the exemption even though the taxpayer met all the qualifications.