



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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DATE: November 14, 2023
TO: Assessors and Interested Persons
FROM: Michigan State Tax Commission
SUBJECT: Multipliers for Valuation of Free-Standing Communication Towers

The State Tax Commission recommends that, subject to the qualifications stated below, communication towers should be valued for the 2024 assessment year using the table of historical (original cost when the tower was new) cost valuation multipliers set forth in the multiplier table below. These multipliers have been developed in a manner that they account for the typical depreciation which is expected for a tower of the indicated age. Multipliers also account for changes in the cost of the tower and erecting it that have occurred since the time the tower was constructed. On this basis, the multiplier table which is shown below is intended to predict the current true cash value of a tower of the vintage year in which the tower was constructed. An important component in determining the current value of a tower built in a given year is the change in the cost of materials, particularly changes in the cost of steel, between the time of construction and the current tax day. Since the table considers both depreciation and changes in construction costs, and since changes in construction cost have not always occurred at a constant rate, the multiplier table does not always evidence a decline in the rate by which the historical cost must be adjusted in order to determine current value. This effect is expected and can be better understood if one remembers that the multiplier table is not a depreciation table and the multipliers are applied to the historic cost of construction, not to the current replacement cost.

Communication towers are real property. When a communication tower is built on land owned by the owner of the tower, the tower is valued and assessed as a real property improvement to the land on which it is located. When a communication tower is built on leased land, the owner is required to report the original construction cost of the tower on Section N of its personal property statement, in the same way that it would report any other structure on leased land. Although the construction costs are reported on the personal property statement, a tower on leased land is not assessed on the personal property assessment roll. Instead, the assessor is required to establish a separate real property assessment for a tower located on leased land, using the procedures set forth in State Tax Commission Bulletin 8 of 2002 and State Tax Commission Bulletin 1 of 2003.

Please note: Sometimes communication towers are located on land that is exempt because the land is owned by an exempt entity such as a municipality or is otherwise exempt. When this occurs, the tower must be assessed to the tower owner on the real

property roll as a structure on leased land. IN ADDITION, the assessor must also consider whether the land should also be assessed to the tower owner as provided by MCL 211.181.

There may be situations where the value of a particular freestanding communication tower is more or less than the figure developed by using this table. This could be due to unusual depreciation (physical deterioration and/or obsolescence) or an unusual enhancement in value caused by supply and demand factors in a particular area.

Form 3594, *Property Statement for Communication Towers*, is to be used for reporting the costs of freestanding communication towers. This form was developed for the specific purpose of gathering construction cost information for communication towers. The assessor may use this form to gather detailed information regarding the construction costs of communication towers. This cost information can then be used as a basis for valuation by multiplying the historic cost by the appropriate multiplier from the table located below.

Please note the following:

- The preferred method for valuing freestanding communication towers is using original cost new multiplied by the appropriate multiplier from the following table.
- In some cases, historical/original cost may be unobtainable. Those cases may require using the Assessor's Manual cost new multiplied by the Assessor's Manual depreciation table multiplier.
- Do not apply the Assessor's Manual depreciation table multipliers to the historical/original cost of a tower
- Do not apply the communication tower multipliers from the following table to the Manual cost new of a tower.

Form 3594 *Property Statement for Communication Towers* is a real property statement and, as such, the taxpayer is not required to complete and submit the form to the assessor unless the taxpayer is specifically asked to do so. If a communication tower is located on leased land, the owner should already be reporting its original acquisition costs on Section N of the personal property statement (Form 632 (L-4175)). If so, the assessor would only need to send Form 3594 if more detailed information regarding costs is needed. The assessor IS NOT REQUIRED TO SEND Form 3594 to tower owners each year. The following table applies to both guyed towers and self-supporting communication towers.

YEAR OF CONSTRUCTION	MULTIPLIER	YEAR OF CONSTRUCTION	MULTIPLIER
2023	0.97	2003	1.22
2022	1.19	2002	1.19
2021	1.28	2001	1.17
2020	1.26	2000	1.18
2019	1.25	1999	1.18
2018	1.26	1998	1.16
2017	1.26	1997	1.16
2016	1.20	1996	1.16
2015	1.18	1995	1.15
2014	1.16	1994	1.14
2013	1.15	1993	1.15
2012	1.13	1992	1.14
2011	1.13	1991	1.11
2010	1.04	1990	1.06
2009	1.06	1989	1.02
2008	1.07	1988	1.06
2007	1.11	1987	1.10
2006	1.13	1986	1.12
2005	1.18	1985	1.15
2004	1.22	1984 and prior	1.19