

STATE OF MICHIGAN



JOHN ENGLER, Governor
DEPARTMENT OF TREASURY
 DOUGLAS B. ROBERTS, State Treasurer
STATE TAX COMMISSION
 4th Floor Treasury Building
 Lansing, Michigan 48922 - Telephone (517) 373-0500

COMMISSION MEMBERS

Mark A. Hilpert, Chairperson
 Lesley F. Holt
 Leroy J. Nelson
 Roland C. Andersen, Secretary

TO: Assessors
 Equalization Directors

FROM: State Tax Commission

RE: IMPLEMENTATION OF PROPOSAL A

On March 15, 1994, the voters of the State of Michigan approved Proposal A which includes significant changes to Section 3 of Article IX of the State Constitution.

The following language from Proposal A will cause significant changes in property tax procedures starting with 1995 assessments:

For taxes levied in 1995 and each year thereafter, the legislature shall provide that the taxable value of each parcel of property adjusted for additions and losses, shall not increase each year by more than the increase in the immediately preceding year in the general price level, as defined in section 33 of this article, or 5 percent, whichever is less until ownership of the parcel of property is transferred. When ownership of the parcel of property is transferred as defined by law, the parcel shall be assessed at the applicable proportion of current true cash value.

Enrolled House Bill No. 5945 was signed by the Governor on December 29, 1994 and became Public Act No. 415 of 1994. Public Act (PA) No. 415 contains many significant changes to the General Property Tax Act regarding the implementation of Proposal A.

This bulletin will address those aspects of Public Act (PA) No. 415 of 1994 which are of immediate concern to assessors and equalization directors for the 1995 assessment year. Other aspects will be addressed in future bulletins.

A) Assessing and Equalization System

PA 415 of 1994 makes many significant changes to the property tax system, but the basic system of assessing and equalization remains the same. The Michigan Compiled Laws which address county and state equalization have not been changed by PA 415 and Proposal A did not alter constitutional mandates regarding these matters. 1995 assessments for all properties must still be at fifty percent of true cash value and properties of similar value within a township must still have similar assessments. In other words, the uniformity provisions of the 1963 Michigan Constitution are still applicable.

IMPORTANT: Please note that the following general requirements are still applicable to the 1995 assessment/equalization process.

- 1) Assessors shall prepare a 1995 assessment roll that contains "traditional" assessed and equalized valuations for each parcel of property, with uniformity according to the value of the parcel, and at 50 percent of true cash value.
 - 2) Proposal A did not provide the authority to increase all "traditional" assessments across the board by the inflation rate. This would not have been good assessing practice last year and it is not prescribed this year. This is not required or permitted by Proposal A, and does not satisfy Proposal A's requirement for a taxable valuation cap.
 - 3) The Taxable Valuation Cap was generally advertised as an assessment cap. It is not an assessment cap. Where applicable, the cap does limit property taxes by limiting taxable value, which is most important to taxpayers. The calculation of Taxable Value will be discussed later in this bulletin. "Traditional" assessments are to be uniform according to the value of the property and at 50 percent of value for each parcel of property in your township or city, regardless of whether or not the taxable value is capped.
 - 4) County and state equalization studies and equalization are still required. 1994 Equalization Studies to be used in 1995 are still twenty-four month studies, except for 12 month studies acceptable only in severely declining markets.
 - 5) State Tax Commission rules have not been changed for 1995 and still apply to assessor and equalization department activity.
 - 6) The statutes for Truth in Assessing and Truth in Equalization (MCL 211.34) are still based on "traditional" assessed valuations and equalized valuations, not on taxable valuations. Where Truth in Assessing or Truth in Equalization applies, this means that any unit that gets a 1995 county or state equalization factor will be required to adjust millage rates in accordance with the provisions of the above cited acts. Truth in Assessing applies to township and city millages, and Truth in Equalization applies to authority, county, and village millages. All millages reduction fractions, including "Headlee" (MCL 211.34d), and Truth in Taxation will be extensively addressed in a separate, later bulletin.
 - 7) State Assessor's Board rules still provide that if an assessing unit receives an equalization factor of more than 1.10, the factor shall be sufficient cause for the board to determine if the certification of the assessor who prepared the assessment roll shall be revoked or suspended.
- B) Effect of Proposal A on Property Tax Bills and the Creation of a New Term: Taxable Value**

Beginning in 1995, property taxes will be spread against Taxable Value rather than State Equalized Value (SEV). IT IS TAXABLE VALUE, NOT ASSESSED OR EQUALIZED VALUE, THAT MAY BE SUBJECT TO LIMITATION (CAPPED) BECAUSE OF THE PASSAGE OF PROPOSAL A.

Proposal A provides for an exception to the cap on taxable value, beginning in the 1996 property tax year, in that properties that have transferred during 1995 will have a taxable value that equals the 1996 SEV of the properties, while the growth in taxable value of non-transferred properties in a unit is limited.

Again, assessments and equalized values are not limited or "capped". The growth in taxable value used to calculate the property taxes of a parcel is limited.

In the past, property tax bills have been calculated using ONLY State Equalized Valuations (SEVs) as the property tax base for each parcel of property on the tax roll, as follows:

(A) times (B) equals (C)

State Equalized Value X Authorized Millage Rate = Parcel's Property Tax Levy

The term Taxable Value was created by Proposal A and now Taxable Value always replaces State Equalized Valuation as item (A) in the property tax equation above. Taxable Value has become the single property tax base in Michigan used to calculate property taxes. Under certain circumstances, SEV must still be used in the equation for calculating property taxes because under certain circumstances SEV will become the Taxable Value for a parcel of property. The relationship of Taxable Value, State Equalized Value, Assessed Value, and "Capped" Value is explained in the following pages. It is important that assessors understand that a "traditional" assessment and state equalized valuation is necessary for each parcel of property, and that SEV will be used as Taxable Value under certain circumstances.

C) Capped Value and Taxable Value

On August 5, 1994, the State Tax Commission sent a "Preliminary Draft" to all assessors and equalization directors regarding the cap on taxable value to be implemented in 1995. That mailing introduced two new terms: Capped Value and Taxable Value.

The "Preliminary Draft" stated that, for 1995, assessors would be required to calculate a capped value for each individual parcel of real property. The capped value would then be compared to the state equalized value (SEV) of each individually assessed property and the lower of the two would become the taxable value upon which taxes would be levied. The 1995 capped value formula was stated as follows:

1995 Capped Value = (1994 Final SEV - Losses) X (The lower of 1.05 or the inflation rate) + Additions.

The applicable inflation rate for the 1995 formula is 1.026. Therefore, the formula for 1995 Capped Value is as follows:

1995 Capped Value = (1994 Final SEV - Losses) X 1.026 + additions.

Note: The "1994 Final SEV" in this formula is the SEV after possible changes to the 1994 assessment by the 1994 July or December Board of Review, by the Michigan Tax Tribunal, and by the State Tax Commission.

PA 415 changes the formula for calculating the Capped Value of a parcel of property. Note that the formula for producing capped valuations in the August 5, 1994 "Preliminary Draft" will yield a different Capped Value than that of the revised formula in PA 415.

HOWEVER, IT IS IMPORTANT TO NOTE THAT FOR 1995 ONLY, THE ORIGINAL FORMULA AND THE REVISED FORMULA WILL LEAD TO A CORRECT TAXABLE VALUE THAT IS EXACTLY THE SAME. This is so because the formula for TAXABLE VALUE requires that you select the lower of SEV or CAPPED VALUE for each property.

While the new formula for capped value from PA 415 is substantially the same as the formula found in the "Preliminary Draft", it adds an additional or third element to the original formula.

The new formula reads as follows:

1995 Capped Value = (1994 Final SEV - Losses) X (The lowest of 1.05, or the applicable inflation rate of 1.026, or the Value Change Multiplier from (A) below) + Additions.

The additional element in the formula measures the change in SEV of each individual parcel of property between 1994 and 1995, and is calculated as follows:

(A)

$$\frac{\text{Current SEV} - \text{Additions}}{\text{Last Year's SEV} - \text{Losses}}$$

Again, while this additional formula yields the difference in each parcel's SEV from one year to the next, to call it the SEV factor or multiplier would only lead to confusion between it and equalization factors. Therefore, the State Tax Commission (STC) and the Property Tax Division will refer to it as the Value Change Multiplier.

If the assessor has already established procedures for calculating the 1995 Taxable Value based on the capped value formula found in the "Preliminary Draft", that formula will produce correct taxable values for 1995 only. Starting in 1996, it will be obligatory to use the formula found in PA 415.

To repeat, formulas #1 and #2 below will both produce the correct Taxable Value for 1995 only.

Formula #1:

1995 Taxable Value is the lower of:

1995 SEV

or

(1994 Final SEV - Losses) X (The lower of 1.05
or the inflation rate) + Additions.

Formula #2:

1995 Taxable Value is the lower of:

1995 SEV

or

(1994 Final SEV - Losses) X (The lowest of 1.05,
or the inflation rate, or the Value Change Multiplier)
+ Additions.

The inflation rate for the 1995 formulas is 1.026. PA 415 of 1994 requires that the assessor use 1.026 for the inflation rate in these formulas. The assessor does not have the option to use a number other than 1.026 for the inflation rate in these formulas.

Starting in the 1996 assessment year, formula #2 must be used.

It will usually not be necessary to calculate a capped value for most personal property whose true cash value is calculated by multiplying acquisition cost by an STC personal property multiplier. This is so because the property's SEV will typically become its Taxable Value. It will be necessary to calculate a capped value for buildings on leased land or for unusual circumstances involving personal property which increases in value from year to year (for example, fine art frequently increases in value from year to year).

The answer from the capped value formula must not be rounded up. The answer from the capped value formula may be rounded down to the nearest \$100.

D) Transferred Properties

THE TAXABLE VALUES OF TRANSFERRED PROPERTIES ARE FIRST SUBJECT TO BEING UNCAPPED IN 1996.

Starting in the 1996 assessment year, the taxable value of properties which have transferred in the previous year will be the current SEV of the property regardless of the answer produced by the taxable value formula. In other words, properties which transfer anytime during calendar year 1995, will have their taxable values uncapped in 1996.

The taxable value of transferred properties may then be capped again in the second year following the transfer, if the capped value equation and the comparison of the three formula items show that it should be limited.

PA 415 defines transfers and also requires that the "buyers" of transferred properties disclose to the assessing officer the following: (1) the parties to the transfer, (2) the date of the transfer, (3) the actual consideration for the transfer, (4) the property's identification number or legal description. PA 415 requires that the State Tax Commission prescribe the form used to report transfers. This form is now being developed.

Transfers will be addressed in a separate bulletin since they will not affect taxable value for the 1995 assessment year.

E) Additions

PA 415 defines additions for the capped value formula. The following are additions from PA 415:

1) Omitted Real Property

Omitted real property is property which should have been included on a previous year's assessment roll but was incorrectly omitted. Omitted property shall not qualify as an addition in the current capped value formula unless the assessor has a property record card or other documentation showing that the omitted real property was not previously included in the assessment.

If omitted property is discovered after the assessment roll has been completed by the Board of Review, it may be added to the tax roll by using the section 154 procedures already established for handling omitted property. (Note: The State Tax Commission does not accept section 154 filings involving minor items such as missing porches).

The dollar amount of the addition in the capped value formula for omitted property is the amount of taxable value the omitted property would currently have if it had not been omitted. For 1995, this amount is 50% of the current TCV of the omitted property. However, starting in 1996, the assessor will be required to calculate the SEV of the omitted property as of the year it was omitted and calculate its taxable value up to the current year as if it had not been omitted.

2) Omitted Personal Property

Omitted personal property is treated the same as omitted real property except that the law does not require that the assessor have a property record card or other documentation showing that the omitted personal property was not previously included in the assessment.

3) New Construction

New construction is property which was not in existence on the tax day for last year's assessment roll and is new on the current year's roll. New construction does not include replacement construction which is a separate category to be discussed later. New construction may include real or personal property.

The dollar amount of the addition in the capped value formula for new construction is calculated as follows:

$$\text{Addition} = \frac{\text{TCV of the new construction}}{\text{TCV of the new construction}} \times 50\%$$

PA 415 states that new construction does not include the true cash value of expenditures for normal repairs, replacement, and maintenance which qualify to be exempted under the provisions of MCL 211.27(2)(a) to (o) sometimes referred to as the Mathieu Gast Act. The State Tax Commission advises that a taxpayer who wishes to have property exempt under this section of the law must apply in writing to the assessor, preferably on form I-4293. PA 415 changes MCL 211.27(2) to allow the exemption of qualifying expenditures for normal repairs, replacement, and maintenance made at any time by the current owner. Formerly, only expenditures made after December 30, 1976 could qualify for non-consideration.

4) Previously Exempt Property

Previously exempt property is property that was exempt from ad valorem taxation on the immediately preceding tax day but is assessable on the current tax day.

There are 3 categories of previously exempt property:

- a) Property that was previously exempt under the provisions of MCL 211.7u (poverty exemption).

The dollar amount of the addition in the capped value formula for property previously exempt under MCL 211.7u is calculated as follows:

Addition = The Taxable Value of the entire parcel in the current year if it had not been exempt MINUS (The Taxable Value in the preceding year X the lesser of 1.05 or the inflation rate).

In the following example, this formula will result in the same taxable value in the year following a poverty exemption that the property would have had if it had not been exempt. In other words, a property which receives a poverty exemption in a current year will not in the following year lose the advantage of a low ratio of taxable value to true cash value that it may have gained over several years of the cap having been applied.

EXAMPLE:

1994 Assessed value of a property = \$30,000

1994 Board of Review grants a partial poverty exemption lowering the assessed value to \$10,000.

1994 State Equalized Value after exemption = \$10,000

Inflation rate = 1.026

No physical changes to property in 1994.

1995 Tentative State Equalized Value = \$31,000

Addition = The Taxable Value of entire parcel in current year if it had not been exempt MINUS (Taxable Value in preceding year X the lesser of 1.05 or inflation rate which is 1.026)

$$\begin{aligned} &= (\$30,000 \times 1.026) \text{ MINUS } (\$10,000 \times 1.026) \\ &= \$30,780 \text{ MINUS } \$10,260 \\ &= \$20,520 \end{aligned}$$

$$\begin{aligned} \text{1995 Capped Value} &= (\text{1994 Final SEV} - \text{Losses}) \times (\text{The lower of } 1.05 \text{ or the inflation rate of } 1.026) + \\ &\quad \text{Additions} \\ &= (\$10,000 - 0) \times 1.026 + \$20,520 \\ &= \$30,780 \end{aligned}$$

NOTE: Public Act No. 390 of 1994 (Enrolled House Bill No. 5019) expands section 7u of the General Property Tax Act which deals with the poverty exemption. This new law allows partial poverty exemptions. PA 390 will be addressed by a future bulletin.

- b) Property that was previously exempt under the provisions of MCL 211.7k because it qualified as a new facility on the Industrial Facilities Tax (IFT) roll. Property previously exempt under MCL 211.7k as a replacement facility fits into category c below.

The amount of the addition in the capped value formula for property previously exempt under MCL 211.7k as a new facility is the taxable value the property would have had in the current year if it had not been exempt. The dollar amount of the addition would be 50% of TCV for 1995. However, in future years it could be less than 50% if TCV increases faster than taxable value.

- c) Property that was previously exempt under any other section of law is the TCV of previously exempt property x 50%. This includes property previously exempt under MCL 211.7k as a replacement facility.

5) Replacement Construction

Replacement construction is construction that replaces property damaged or destroyed by accident or by an act of God provided that all 4 of the following conditions are met:

- a) The property being replaced must have been damaged or destroyed by accident or an act of God.
- b) The accident or act of God which damaged or destroyed the property occurred within the three calendar years preceding the current assessment year.
- c) The replacement construction occurred sometime in the year following last year's tax day.
- d) The TCV of the amount allowed as replacement construction does not exceed the TCV of the property damaged as destroyed. If the true cash value of the construction exceeds the true cash value of the property that was damaged or destroyed, the excess amount must be treated as "new construction" under category #3 above.

The dollar amount of the addition in the capped value formula for replacement construction is calculated as follows:

$$\text{Addition} = \frac{\text{TCV of Replacement Construction}}{\text{TCV of the subject property in the previous year}} \times \frac{\text{Taxable Value of the subject property in the previous year}}{\text{TCV of the subject property in the previous year}}$$

For 1995, the third element in the formula above is 50% since the taxable value in 1994 was the SEV. However, in future years this ratio must be calculated since it may be less than 50%.

6) Remediation (Correction) of Environmental Contamination

See 2012

An increase in the value of a parcel attributable to complete or partial correction of environmental contamination which existed on last year's tax day is an addition. The degree of remediation which has occurred shall be determined by the Department of Natural Resources.

The increase in value is frequently not the same as the cost to remediate.

The dollar amount of the addition in the capped value formula for an increase in value attributable to remediation of environmental contamination is calculated as follows:

$$\text{Addition} = \frac{\text{Increase in TCV due to Remediation}}{\text{TCV of subject property as if it had not been contaminated}} \times \frac{\text{Taxable Value of subject property as if it had not been contaminated}}{\text{TCV of subject property as if it had not been contaminated}}$$

For 1995, the third element of the formula above is 50% since taxable value in 1994 was the 1994 SEV. However, starting in 1996, this ratio must be calculated since it may be less than 50%.

7) Increase in Occupancy Rate

An increase in value attributable to an increase in the occupancy rate of an income producing property is an addition provided one of the following conditions is met:

- a) A loss was allowed in a previous year due to a decrease in occupancy rate or
- b) A loss was allowed in a previous year on newly constructed property due to a below market occupancy.

Note: Please refer to the section of this bulletin labeled "Losses" for an explanation of when a decrease in occupancy rate can be considered a loss.

The dollar amount of the addition in the capped value formula for an increase in value attributable to an increase in occupancy rate is calculated as follows:

$$\text{Addition} = \begin{array}{l} \text{Increase in} \\ \text{TCV due to} \\ \text{Occupancy Increase} \end{array} \times \frac{\begin{array}{l} \text{Taxable Value of the subject} \\ \text{property in the previous year} \\ \text{TCV of the subject property} \\ \text{in the previous year.} \end{array}}{\text{TCV of the subject property in the previous year.}}$$

For 1995, the third element of the formula above is 50% since taxable value in 1994 was the SEV. However, starting in 1996, this ratio must be calculated.

8) Public Services

Public services means water service, sewer service, a primary access road, natural gas service, electrical service, telephone service, sidewalks, or street lighting.

An increase in TCV attributable to public services is an addition in the assessment year following the year when the public services were initially available.

The dollar amount of the addition in the capped value formula for public services is calculated as follows:

$$\text{Addition} = \begin{array}{l} \text{Increase in} \\ \text{TCV due to} \\ \text{Public Services} \end{array} \times 50\%$$

The following are not additions for the capped value formula:

1) Platting, Splits, or Combinations

An increase in value attributable to platting, splits, or combination of parcels is not an addition unless they are accompanied by a physical change in the property or unless the increase is due to public services (see number 8 above).

2) Zoning Change

An increase in value attributable to a change in zoning is not an addition.

3) Inflation

An increase in value due to inflation is not an addition.

4) Economic Conditions

An increase in value due to an improvement in economic conditions is not an addition.

F) Losses

PA 415 defines losses for the capped value formula. The following are losses from PA 415:

1) Property Destroyed or Removed

Property that has been destroyed or removed is a loss for the capped value formula. The dollar amount of the loss in the capped value formula is calculated as follows:

$$\text{Loss} = \begin{array}{l} \text{TCV of} \\ \text{Property} \\ \text{Destroyed or} \\ \text{Removed} \end{array} \times \frac{\text{Taxable Value of the subject} \\ \text{property in the previous year}}{\text{TCV of the subject property in} \\ \text{the previous year.}}$$

For 1995, the third element of the formula above is 50% since taxable value in 1994 was the 1994 SEV. However, starting in 1996, this ratio must be calculated since it may be less than 50%.

2) Exempt Property

Exempt Property is property that was subject to ad valorem taxation on the previous tax day but is exempt on the current tax day.

The dollar amount of the loss in the capped value formula for exempt property is the taxable value of the property exempted.

3) Decrease in Occupancy Rate

A decrease in value attributable to a decrease in the occupancy rate for an income producing property is a loss, provided that the decreased occupancy rate is projected to be permanent into the foreseeable future. When an occupancy rate which is at the stabilized level for the area decreases temporarily but is expected to return soon to the stabilized level, no adjustment in the value of the property is warranted.

Likewise, a newly constructed office building which is only 50% occupied on tax day should not be valued as if the 50% occupancy were permanent if the stabilized occupancy rate for the area is much higher than 50%.

The dollar amount of the loss in the capped value formula for a loss in value attributable to a decrease in the occupancy rate is calculated as follows:

$$\text{Loss} = \begin{array}{l} \text{Decrease in} \\ \text{TCV due to} \\ \text{Decrease in} \\ \text{Occupancy} \end{array} \times \frac{\text{Taxable Value of the subject} \\ \text{property in the preceding year}}{\text{TCV of subject property in the} \\ \text{preceding year}}$$

For 1995, the third element of the formula above is 50% since taxable value in 1994 was the 1994 SEV. However, starting in 1996, this ratio must be calculated since it may be less than 50%.

4) Environmentally Contaminated Property

A decrease in value attributable to environmental contamination which existed on the property on the current tax day is a loss for the capped value formula. The degree of contamination must be determined by the Department of Natural Resources.

The dollar amount of the loss in the capped value formula is calculated as follows:

$$\text{Loss} = \begin{array}{l} \text{Decrease in} \\ \text{TCV attributable} \\ \text{to Contamination} \end{array} \times \frac{\text{Taxable Value of subject} \\ \text{property in the previous year} \\ \text{if it had not been} \\ \text{contaminated}}{\text{TCV of subject property in the} \\ \text{previous year if it had not} \\ \text{been contaminated}}$$

For 1995, the third element of the formula above is 50% since taxable value in 1994 was the 1994 SEV. However, starting in 1996, this ratio must be calculated since it may be less than 50%.

The following are not losses:

1) Platting, Splits, or Combinations

A decrease in value attributable to platting, splits, or combinations of parcels is not a loss.

2) Zoning Change

A decrease in value attributable to a change in zoning is not a loss.

3) Deflation

A decrease in value due to deflation is not a loss.

4) Economic Conditions

A decrease in value due to worsening economic conditions is not a loss.

G) Industrial Facilities Tax (IFT) Roll

Taxes on the IFT roll are calculated by multiplying the appropriate millage by the State Equalized Value of the property. It is, therefore, not necessary to calculate a capped value for the IFT roll.

H) Notice of Assessment Increase

State Tax Commission (STC) Bulletin No. 14 of 1994 informed assessors and equalization directors about the additional items required to be on the notice of assessment increase in 1995.

PA 415 adds the following 2 requirements starting in 1995 regarding the notice of assessment increase:

- 1) The notice of assessment increase shall include a statement PROVIDED BY THE STATE TAX COMMISSION explaining the relationship between state equalized valuation and taxable value.

The following statement appears on the model notice of assessment increase included with STC Bulletin No. 14 of 1994. This language must appear on all notices of assessment increase in 1995.

Proposal A, passed by the voters on March 15, 1994, places a limit on the value used to compute property taxes. **STARTING IN 1995, YOUR PROPERTY TAXES WILL BE CALCULATED USING TAXABLE VALUE (see line 4 below).** In the past, your taxes have been calculated using State Equalized Value (SEV). State Equalized Value is the Assessed Value multiplied by the Equalization Factor, if any. State Equalized Value must approximate 50% of market value. The Taxable Value is the lower of the 1995 State Equalized Value or the 1994 State Equalized Value multiplied by 1.026 which is the Consumer Price Index for the current period. Taxable Value may also increase or decrease due to physical changes in your property.

- 2) The notice shall be sent when either assessed valuation or tentative taxable value increases for the year.

PA 415 adds the following 2 requirements to the increase notice starting in 1996:

- 1) If the assessor believes that a transfer of ownership has occurred in the immediately preceding year, the statement required to be on the notice shall also state that the ownership has transferred and that the taxable value of the property is the same as the state equalized value for the current year.
- 2) The assessment notice must include the prior year's taxable value and the difference between the current year's tentative taxable value and the prior year's taxable value.

I) 1995 Assessment Roll

SIC Bulletin No. 14 of 1994 informed assessors and equalization directors about the additional items required to be on the assessment roll in 1995.

PA 415 adds the following requirement starting in 1995:

The assessment roll shall contain the percentage of value exempt from the 18 mills of local school operating millage for either homestead property or qualified agricultural property. This is required only for those properties which are exempt or partially exempt from the local school operating millage. The percentage is not required for properties which are not exempt from the local school operating millage.

Starting in 1996, the assessment roll shall contain the date of the last transfer of ownership of every parcel of real property that has transferred after December 31, 1994.

J) Tax Roll

PA 415 requires that the tax roll contain the taxable value for each item of property.

The State Tax Commission requires that the tax roll continue to contain the state equalized value for each item of property.

K) Board of Review

PA 415 states that, starting in 1995, the March Board of Review has the authority to change the assessed value and/or the taxable value.

Both taxable value and assessed value may also be appealed to the Michigan Tax Tribunal after protest to the March Board of Review.

The State Tax Commission will issue a new Board of Review bulletin early in 1995 detailing the responsibilities of the Board of Review.

L) Public Act 297 of 1994

The State Tax Commission will issue a separate bulletin early in 1995 regarding the provisions of Public Act 297 of 1994 as amended by PA 415 of 1994 which amends section 30c to the General Property Tax Act.

Section 30c states, in brief, that when the March Board of Review or the Michigan Tax Tribunal reduces the assessed value or taxable value of a property, that reduced amount must be used as the basis for calculating the assessment in the immediately succeeding year starting in 1995. This only applies to Michigan Tax Tribunal changes when the hearing is held in the same calendar year as the year of the assessment being appealed.