

Personal Property Tax Relief in Distressed Communities (P.A. 328 of 1998)

Program Description

Public Act 328 of 1998 allows distressed communities to abate all new personal property taxes in certain geographic areas to stimulate economic development.

Eligibility

Cities, villages and townships that contain distressed areas (as defined under the Michigan State Housing Development Authority Act) are eligible to participate.

Abatements include all millage, state and local taxes. Locally approved applications are filed with the State Tax Commission (STC), which must approve or deny the local resolution within 60 days. The State Treasurer, with the written consent of the Michigan Economic Development Corporation, is required to provide advice to the STC as to whether the exemption is necessary to "reduce unemployment, promote economic growth and increase capital investment."

Eligible projects include manufacturing, mining, research and development, wholesale trade and office operations. Retail businesses and casinos are not eligible.

New personal property is property not previously subject to property taxes in any other jurisdiction in this state. This includes personal property already in Michigan, but exempt for another reason (for example, property that is receiving a P.A. 198 abatement).

Terms of Abatement

The eligible local units may, by resolution, exempt new personal property in any of the following areas: an industrial development district (P.A. 198), a renaissance zone, an enterprise zone, a brownfield redevelopment zone, an empowerment zone, a tax increment financing district, a local development financing district or a downtown redevelopment district.

The local community and the business negotiate the length of the abatement for the new personal property tax through the adoption of a local resolution. The law does not contain a maximum or minimum number of years.

For more information about this program, contact Southwest Michigan First at 269.553.9588.