

Renaissance Zones

Program Description

Michigan has 35 Renaissance Zones (comprising 152 geographic areas) where businesses, residents and property owners are free of virtually all local and state taxes, including:

- Michigan Single Business Tax
- Michigan Personal Income Tax
- 6-mill State Education Tax
- Local Personal Property Tax
- Local Real Property Tax

The zones include urban, rural and agricultural areas as well as former military bases. They range in size from five to 3,000 acres. The Kalamazoo Region's two industrial Renaissance Zones, Midlink Business Park and the Enterprise Center, offer many tax benefits.

Residents in the zones continue to pay sales tax and all federal taxes.

Businesses pay unemployment insurance, social security taxes, worker's compensation, sewer/water fees, Michigan's six percent sales tax and all federal taxes.

Everyone pays property taxes levied to finance local bonded indebtedness or special assessments, so as not to jeopardize the community's current bonds.

Requirements

Every year, certain requirements must be met in order to be eligible for Renaissance Zone tax benefits:

- All local and state taxes in Michigan must be current as of December 31 of the preceding year. Taxpayers are responsible for determining their own eligibility according to local and state tax laws.
- Rental property must be inspected annually and obtain a Certificate of Compliance. Landlords must file an affidavit by December 31 stating that their residential rental property is in substantial compliance with all building and housing codes.
- Residents must live in the zone 183 consecutive days.
- Personal property must be in the zone on December 31 of the preceding year and 182 additional days in that calendar year.
- State income tax forms must be filed.
- Property taxes must be paid – although the bill will be much reduced.

Kalamazoo's Renaissance Zone designation began January 1, 2001 and lasts for 15 years. The final three years of the zone will begin a phase-in of taxation. In the year 2013, taxpayers will pay 25% of their full tax liability; 50% in the year 2014; 75% in the year 2015; and 100% after year 2015.

Midlink Business Park's Renaissance Zone, located in the Charter Township of Comstock, has the same taxation phase-in plan but, because it began in 2003, it is delayed two years. Midlink's Renaissance Zone designation runs through 2017.

Renaissance Zone applications must be filed annually at the City Assessor's Office, 241 West South Street, Kalamazoo, Michigan, 49007, postmarked by December 31 of the preceding year.

For more information about Kalamazoo's Renaissance Zones, call Southwest Michigan First at 269.553.9588.