



State Tax Commission's Industrial Classification Appeals

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The Department of Treasury (State Tax Commission) has begun the filing of nearly 10,000 appeals with the Michigan Tax Tribunal to address the issue of property that is improperly classified as Industrial Real or Industrial Personal. Industrial Real Property is "[p]latted or unplatted parcels *used for* manufacturing and processing purposes, . . . with or without buildings." MCL 211.34c (2)(d) (emphasis added). In other words, a vacant building sitting within an industrial park does not necessarily fall within the definition of Industrial Real Property. For this reason, the State Tax Commission suggests that assessors research the last use and probable future use of a building. Industrial Personal Property includes "all machinery and equipment, furniture and fixtures, and dies on industrial parcels, and inventories not exempt by law." MCL 211.24c (3)(c). The State Tax Commission has emphasized this type of property is "property being used for an industrial (manufacturing and processing) purpose."

These classifications are important because Industrial Personal Property receives a greater tax exemption than property classified as Commercial Personal. Therefore, improperly classified property negatively affects the school aid fund.

The Michigan Tax Tribunal has listed the appeals that have been or will be filed on the State Tax Commission website at www.michigan.gov/statetaxcommission. The Department of Treasury asks that all assessors review the list and properly classify the property for the 2010 assessment roll. If properly classified property is on the appeal list, contact the State Tax Commission at statetaxcommission@michigan.gov so that the Department of Treasury can withdraw its petition.

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