POVERTY EXEMPTION APPLICATION

Dear Homeowner:

As you recently requested, enclosed is The City Of Inkster's Poverty Exemption Application along with a copy of the current Poverty Exemption Policy.

Please review the policy's income and asset limitations to be sure that you are eligible for consideration.

If you wish to apply, submit your completed application to the Assessor's office by March 14, 2018.

Your application will not be considered complete unless **ALL** required supporting documentation is included, therefore please review the policy and application thoroughly. (Photocopying is available in our office.)

After we have received your completed application, an appointment will be scheduled for you to appear before the Board of Review. (**All applicants must appear before the Board of Review in person, unless a written medical excuse is provided by their doctor at the time their application is submitted.)**

If you have any questions, please do not hesitate to call our office at 313-563-4267

Respectfully,

City Of Inkster Assessor's Office

City of Inkster
Board of Review Guidelines
For Hardship Appeals (Updated January, 2018)

To be eligible for a poverty exemption, a person shall annually:

1. Own and occupy the property as a homestead as required by law, and provide evidence of ownership.

2. File the approved form provided by the City.

3. Submit proper identification, copies of federal and state income tax returns for all person(s) residing in the homestead as well as copies of any property tax credit returns, as required by law. Or, if tax returns filings are not required, an affidavit in a form prescribed by the state tax commission may be accepted.

4. The household income (including all persons residing in the homestead) shall meet the federal poverty income standards as defined and determined annually by the United States Office of Management and Budget. In cases where household income meets the federal standard, the assessment / taxable value shall be adjusted so the out-of-pocket property tax, as best estimated based on the previous year's millage rate and after deducting the applicable state property tax refund, equals five percent (5%) of the household income for those applicants under 65 years of age, and three percent (3%) for those applicants over 65 years of age.

5. Income included as household income shall be from any and all sources and shall include all dependents and occupants. (Examples of income include but are not limited to, types such as salary state or federal aid, alimony, social security, pension and insurance benefits, return on investments, savings, and any other forms of compensation received).

Number of Persons Residing in Homestead	Poverty Income Standards
1	$12,060
2	$16,240
3	$20,420
4	$24,600
5	$28,780
6	$32,960
7	$37,140
8	$41,320
For Each Additional Person Add	$4,180

6. The total of all household assets, not including the value of the subject property shall not exceed $25,000.

7. The Board of Review may waive the income limits for a household that exceed the federal poverty income standards but who have expenses beyond the ordinary scope of expected costs which are severe and unavoidable, such as unusually high heath care costs not covered by insurance. In such scenarios, the state equalized value may be reduced to zero (0).

8. In cases where the Board of Review deviates from the income limits for substantial and compelling reasons, such as described above in number 7, these reasons will be noted on the petition and communicated in writing to the claimant. Such reasons will be properly documented.

9. In no case will the Board of Review approve an assessment reduction without the necessary and required documentation.

City of Inkster
26215 Trowbridge
Inkster, MI 48141
Telephone: (313) 563-4267

2018 City of Inkster
Poverty Exemption Application

FOR OFFICE USE ONLY:

Parcel# ______________________ School District ________ Petition No. __________

Assessed Value ________________ Taxable Value ________________ HS ______

PETITIONER INFORMATION

DATE OF BIRTH ______________ Phone

Yourself: ______________________ __________ Daytime: ______________

Spouse: ______________________ __________ Evening: ______________

Marital Status

Married _________yrs. Separated _________yrs.
Widowed _________yrs. Divorced _________yrs. **A copy of your judgment of divorce is required*
Single _________

Property Address for Which Relief is Being Sought: ______________________________

How Many Years Have You Resided at This Address? ______________________________

OTHER OCCUPANTS/CO-OWNER INFORMATION

List each individual currently living in your household *other than yourself and your spouse,* **also list any co-owners** who are not living in your household:

Name				
Age				
Relationship				
Occupation				
2017 Income	$	$	$	$
Household Contribution?	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
Claimed as a Dependent?	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No

EMPLOYMENT INFORMATION (If not currently employed, indicate most recent employment)

Occupation (Yourself): ______________________________

Employer: ______________________________ Ph: ______________

Address: ______________________________

☐ Employed Full-time # of Years: __________

☐ Employed Part-time # of Years: __________ Average number of Hours Worked per Week: __________

☐ Retired # of Years: __________ Are you receiving Social Security? Yes No Pension? Yes No

☐ Disabled # of Years: __________ Are you receiving S.S.I. or other Disability Benefits? Yes No

☐ Laid-Off # of Years: __________ Anticipated Call Back Date (if known): __________

☐ Unemployed # of Years: __________ Are you receiving Unemployment Compensation? Yes No

When do the Unemployment Benefits Expire? __________

Occupation (Spouse): ______________________________

Employer: ______________________________ Ph: ______________

Address: ______________________________

☐ Employed Full-time # of Years: __________

☐ Employed Part-time # of Years: __________ Average number of Hours Worked per Week: __________

☐ Retired # of Years: __________ Are you receiving Social Security? Yes No Pension? Yes No

☐ Disabled # of Years: __________ Are you receiving S.S.I. or other Disability Benefits? Yes No

☐ Laid-Off # of Years: __________ Anticipated Call Back Date (if known): __________

☐ Unemployed # of Years: __________ Are you receiving Unemployment Compensation? Yes No

When do these Unemployment Benefits Expire? __________

HEALTH INFORMATION

Describe any disabilities or health problems that impact your employment &/or financial situation:

____

____

____

____

ASSET INFORMATION

What are the current assets of **all** individuals living in your household, as well as any co-owners who are not living in your household?

ENTER $0 IF NONE

Cash	$
Checking Accounts	$
Saving Accounts/Certificates of Deposit/Money Market Accounts	$
Stocks/Bonds/Treasury Bills/Mutual Funds	$
IRA's/Keoghs/Annuities/401K's/Deferred Compensation Plans	$
Life Insurance (Cash Value)	$
Vacation Property/Rental Property/Co-Owner's Home	$
Personal Property Held as an Investment (i.e. Jewelry, Coins, etc.)	$
Other	$

Cars/Boats/RV's/etc.	#1	#2	#3
Make/Model			
Year			
Estimated Value			
Balance Owed			

LIABILTY INFORMATION

What are the current liabilities of all individuals living in your household? And to who are they paid? (Indicate the average monthly bill.)

ENTER $0 IF NONE

Mortgage Payment (A copy of your mortgage payment coupon or land contract is required)	$
Car Payment	$
Medical Bills	$
Telephone	$
Heat	$
Electrical	$
Cable	$
Water	$
Other	$

If you purchased this home in the past five years, do you have a Mortgage? ( ) Yes ( ) No

**IMPORTANT: If the answer is YES, a copy of your "Uniform Residential Loan Application" is required.

(This document should have been provided to you at your closing. If you are unable to locate it, you will need to obtain a copy from your mortgage company.)

INCOME SUMMARY

Include all taxable and nontaxable income for all individuals living in your household as well as any co-owners who are not living in your household. (Please use a separate line for each person's figures.)

	2018 Anticipated	2017 Total	Current Monthly Amount
Wages, Salaries, Tips, etc.	$	$	$
	$	$	$
	$	$	$
Pensions	$	$	$
	$	$	$
	$	$	$
Social Security Benefits	$	$	$
	$	$	$
	$	$	$
S.S.I. Benefits	$	$	$
	$	$	$
	$	$	$
F.I.P./D.H.S. Benefits	$	$	$
	$	$	$
	$	$	$
Unemployment Compensation	$	$	$
Disability Benefits (other than S.S.I.)	$	$	$
Workmen's Compensation	$	$	$
Alimony	$	$	$
Child Support	$	$	$
	$	$	$
	$	$	$
Other Income or Financial Assistance	$	$	$
of Any Kind (Specify the Source)	$	$	$
	$	$	$
	$	$	$
	$	$	$
	$	$	$
	$	$	$

ADDITIONAL INFORMATION

Describe what other forms of financial assistance you have attempted to obtain, specifically, what other charitable organizations have you sought relief from?

FINAL COMMENTS

If there is any other information you would like the Board to be aware of, please use this space:

IMPORTANT

INCOME & ASSET VERIFICATION

Attach photocopies of the following documents for each individual currently residing in the household, as well as any co-owners who are not residing in the household:

Most recent Statement of Account for *every* asset account each individual has (Checking, Savings, IRA's, Investments, etc.)

2017 Michigan Homestead Property Tax Credit Claim* (MI1040CR or 1040CR-2)
2017 Michigan Income Tax Return* (MI-1040)
2017 Federal Income Tax Return* (Federal 1040 or 1040A)

*You must also provide the documents that substantiate each of the dollar figures listed on the above tax forms, such as:

W-2 Forms, Social Security Benefit Statements, FIA Benefit Statements,
Workmen's Compensation Benefit Statements, Interest Income Statements,
Dividend Income Statements, Pension Benefit Statements, SSI Benefit Statements,
Public Assistance Benefit Statements, General Assistance Benefit Statements,
Child Support Documentation, Alimony Documentation, etc.

THE APPLICATION PROCESS

1) Bring your completed application to the Assessor's Office no later than the deadline date mentioned on the cover letter you received.

2) Your application will not be considered *complete* unless you have provided all required supporting documentation, as referred to in the gray shaded areas on this application. (Photocopying service is available at the Assessor's Office.)

3) After we have received your completed application, an appointment will be scheduled for you to appear before the Board of Review.

4) All applicants must appear before the Board of Review in person, unless a written medical excuse is provided by their doctor at the time their application is submitted.

PLEASE READ CAREFULLY:

I/We, am/are unable to pay the full property taxes on the above described property in accordance with section 211.7u Michigan Compiled Laws. I/We have read this application and fully understand the contents thereof. I/We declare that the statements made herein are complete, true, and correct to the best of my/our knowledge. I/We further understand that if any information contained herein is found to be false or incomplete, any and all relief granted by this application will be forfeited and placed back on the assessment roll with penalties and interest occurring on the additional tax liability in accordance with Section 211.119 Michigan Compiled Laws.

*** **WARNING**: A person making a false statement on this affidavit is guilty of perjury.

Relative to the above stated acknowledgment, I request the City of Inkster Board of Review grant this poverty exemption.

PETITIONER(S) SIGNATURES(S):	C0-OWNER(S) SIGNATURE(S)
____________________	____________________
____________________	____________________

5102 (Rev. 04-15)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

BULLETIN NO. 24 of 2017
CHANGES FOR 2018
November 28, 2017

TO: Assessors
Equalization Directors

FROM: State Tax Commission (STC)

RE: **PROCEDURAL CHANGES FOR THE 2018 ASSESSMENT YEAR**

The purpose of this Bulletin to provide information on statutory changes or procedural changes for the 2018 assessment year.

A. Inflation Rate Used in the 2018 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2018 Capped Value Formula is 1.021.

The 2018 Capped Value Formula is as follows:

2018 CAPPED VALUE = (2017 Taxable Value – LOSSES) X 1.021 + ADDITIONS

The formula above does not include 1.05 because the inflation rate multiplier of 1.021 is lower than 1.05.

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2018

MCL 211.7u, which deals with poverty exemptions, was significantly altered by PA 390 of 1994 and was further amended by PA 620 of 2002.

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than $20,420 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than $20,420. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2018 assessments.

Size of Family Unit	Poverty Guidelines
1	$12,060
2	$16,240
3	$20,420
4	$24,600
5	$28,780
6	$32,960
7	$37,140
8	$41,320
For each additional person	$4,180

Note: PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 5 of 2012 for more information on poverty exemptions.

Note: P.A. 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing for the exemption.

C. Multipliers for the 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 2018 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 such that they account for the typical depreciation which is expected for a tower of the indicated age and 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.

The State Tax Commission has developed STC Form 3594 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.

State Tax Commission Form 3594 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 (STC Form L-4175). If so, the assessor would only need to send STC Form 3594 if more detailed information regarding costs is needed. The assessor IS NOT REQUIRED TO SEND STC Form 3594 to tower owners each year. The following table applies to both guyed and self-supporting communication towers.

HISTORICAL (ORIGINAL) COST VALUATION MULTIPLIERS FOR USE IN 2018 ASSESSMENTS OF FREESTANDING COMMUNICATIONS TOWERS

YEAR OF CONSTRUCTION	MULTIPLIER	YEAR OF CONSTRUCTION	MULTIPLIER
2017	0.97	1997	0.89
2016	0.93	1996	0.88
2015	0.91	1995	0.89
2014	0.90	1994	0.87
2013	0.88	1993	0.89
2012	0.87	1992	0.87
2011	0.87	1991	0.85
2010	0.82	1990	0.84
2009	0.82	1989	0.81
2008	0.83	1988	0.84
2007	0.85	1987	0.82
2006	0.85	1986	0.81
2005	0.88	1985	0.79
2004	0.94	1984	0.77
2003	0.93	1983	0.79
2002	0.91	1982	0.83
2001	0.90	1981	0.88
2000	0.91	1980	0.97
1999	0.90	1979	1.07
1998	0.89	1978 and prior	1.14

D. Property Classification

The State Tax Commission reminds assessors that classification is to be determined annually and is based upon the use of the property and not highest and best use of the property. The Commission is aware that some assessors are still classifying property according to highest and best use and/or are not classifying property on an annual basis. The Commission asks that all assessors take the necessary steps to ensure that all real and personal property is properly classified according to MCL 211.34c.

E. Sales Studies

Equalization study dates are as follows for 2018 equalization:

Two Year Study: April 1, two years prior through March 31, current year
Single Year Study: October 1, preceding year through September 30, current year

For 2017 studies for 2018 equalization the dates are as follows:

Two Year Study: April 1, 2015 through March 31, 2017
Single Year Study: October 1, 2016 through September 30, 2017

Note that the time period revisions apply to all equalization studies, that is: sales ratio studies, land value studies and economic condition factor studies for appraisals. Also note that the revised time period for two year studies applies to all real property classifications.

Please be advised that the above sale study dates **are not** the same as the valuation date used in appeals before the Michigan Tax Tribunal. Evidence presented in a Tax Tribunal appeal should reflect the value of the property as of tax day (December 31). This means that sales occurring *after* March 31, 2017 and September 30, 2017 should still be considered and included when submitting evidence in a Tax Tribunal appeal involving the 2018 tax year.

F. Changes to Personal Property Tax

PA 329 of 2016 amended MCL 211.9f by requiring that, subsequent to December 31, 2016, eligible local assessing districts and Next Michigan development corporations must enter into a written agreement with eligible businesses prior to adopting a resolution exempting new personal property from the collection of property taxes. The written agreement must contain the following statements:

1. The exemption is revoked if the eligible business is determined to be in violation of the written agreement's provisions.
2. The eligible business may be required to repay all or part of the personal property taxes exempted under MCL 211.9f if it is determined to be in violation of the written agreement's provisions.
3. The exemption is revoked if the eligible business is determined to be in violation of the provisions concerning the exemption set forth in the resolution adopted by the local assessing district.
4. The exemption is revoked if continuance of the exemption would be contrary to any of the requirements of MCL 211.9f.

Form 3427, a sample written agreement and an updated checklist can also be found on the New Personal Property Exemption webpage.

To claim the eligible manufacturing personal property (EMPP) exemption for the 2018 assessment year, a fully completed Form 5278, *Eligible Manufacturing Personal Property Tax Exemption Claim, Ad Valorem Personal Property Statement, and Report of Fair Market Value of Qualified New and Previously Existing Personal Property (Combined Document),* must be received by the Assessor of the local unit of government where the qualified personal property is located no later than February 20, 2018. Taxpayers should not complete this form unless the personal property meets the definition of eligible manufacturing personal property.

Property that was placed in service in 2008 through 2012 will still be reported as ad valorem personal property in Part 2 on Form 5278, the *Combined Document*. Property meeting the definitions of qualified new personal property and qualified previously existing personal property placed in service after 2012 and prior to 2008 will be exempt from ad valorem taxes and will instead pay the state specific Essential Services Assessment. Property that is subject to an IFT certificate that has expired, but is subject to extension under MCL 207.561a, will report property placed in service in 2008 through 2012 in Part 2 and property placed in service in all years of Part 3. Property that is subject to a New Personal Property (P.A. 328) exemption that has expired, but is subject to extension under MCL 211.9f(9), will report property placed service in all years of Part 3.

Assessors are reminded that they are not required to mail Form 5278 to taxpayers. Taxpayers can obtain a copy from the Department of Treasury's website, www.michigan.gov/esa. Assessors should ensure that Form 5278 is timely filed and fully completed by the property owner. The Assessor is responsible for granting the exemption and should therefore carefully evaluate the business activities of the claimant to ensure that they meet the statutory requirements of the Eligible Manufacturing Personal Property Exemption. The Commission strongly recommends that assessors contact taxpayers who have not fully completed Part 1 of Form 5278 in an effort to obtain the missing information before issuance of a denial.

Assessors will have to *accurately* enter all the Form 5278 information into their assessing software. Assessors that do not have BS&A software and that have taxpayers claiming the personal property exemption will be provided with reporting instructions from the Department of Treasury. All data from Form 5278 must be entered and uploaded to BS&A for submission to the Department of Treasury no later than April 1, 2018.

Further information and guidance on the Eligible Manufacturing Personal Property (EMPP) Exemption, Special Acts and the Essential Services Assessment (ESA) is available at www.michigan.gov/ESA. Additional questions should be sent via email to ESAQuestions@michigan.gov.

G. Disabled Veterans Exemption

Mid-Year Changes

If the disabled veteran buys a home mid-year, the Commission's guidance remains that the veteran can only receive the exemption on taxes they have paid or will pay on that new home. The Commission has advised assessors that they should ask to see the closing documents to determine if there is any information that will assist in the determination of those taxes the veteran has paid or will pay. In the absence of relevant information contained in the closing documents, the STC advises assessors to divide the total taxes for the year by 12 and then multiply that number by the number of months the veteran will own the home and use it as their homestead. This is a calculation that is easy for the taxpayer to understand.

If a disabled veteran sells their home mid-year or dies mid-year and has no surviving spouse, assessors are advised to file a MCL 211.154 petition with the STC to put the property back on the assessment roll. Taxes to be billed to the new owner or estate can be calculated using the same methods described above.

If the status of the veteran changes mid-year, meaning they are granted 100% disability status and if they have owned the home for the full year and meet all other statutory requirements, the STC advises that the July or December Board of Review can grant the exemption for the full year.

Unremarried Surviving Spouse

The State Tax Commission is aware that the Michigan Tax Tribunal in MTT Docket 16-004780 - *Deborah E. Rabun v City of Farmington Hills*, held that a surviving spouse cannot qualify for the exemption when the deceased disabled veteran never owned or occupied the subject property as a homestead.

While the STC understands that is the position of the Tax Tribunal, the STC does not agree or support that determination. The STC in their original guidance indicated that: *the Disabled Veteran's exemption is not an exemption for the benefit of the property. Instead, it is an exemption personal to the qualifying disabled veteran or the unremarried surviving spouse of the qualified deceased disabled veteran.*

Since the Disabled Veterans Exemption is personal to the qualified individual, the STC is advising assessors and Boards of Review that they can and should approve exemptions for unremarried surviving spouses that meet all other statutory requirements, regardless of if the disabled veteran ever owned or occupied that subject property as a homestead.

More guidance on the Disabled Veterans Exemption can be found on the STC website under the Disabled Veterans Exemption link.

H. Principal Residence Exemption

Governor Snyder signed into law on October 10, 2017 Public Acts 121 and 122 of 2017 regarding the PRE Affidavit. The Acts amend MCL 211.7cc and MCL 211.120 of the General Property Tax Act to provide that the assessor of a local tax collecting unit, the Department of Treasury, or a county treasurer or equalization director can require a person who claimed a principal residence exemption (PRE), within 30 days of claiming the PRE, to file the Principal Residence Exemption Affidavit of Similar Exemption in Other States, Form 5565, stating that he or she had not claimed a substantially similar exemption, deduction, or credit in another state.

Public Act 121 also prohibits a person from rescinding a substantially similar exemption, deduction, or credit claimed in another state in order to qualify for the Michigan PRE for any years denied, if the assessor of a local tax collecting unit, the Department of Treasury, or a county denied an existing claim for a PRE. The Act also prescribes a penalty of $500 for a person who claimed a PRE under the Act and a substantially similar exemption, deduction, or credit in another state.

Assessors are also advised that Public Act 121 also eliminates the requirement that the local tax collecting unit submit to the Michigan Department of Treasury copies of all filed Principal Residence Exemption Affidavit Forms 2368 and Request to Rescind Principal Residence Exemption Forms 2602; instead these forms, along with Form 5565, shall be forwarded to the Michigan Department of Treasury only if requested. However, the local tax collecting unit is still required to submit to the Michigan Department of Treasury copies of filed Conditional Rescission of Principal Residence Exemption (PRE) Forms 4640, Foreclosure Entity Conditional Rescission of Principal Residence Exemption (PRE) Forms 4983, Principal Residence Exemption Active Duty Military Forms 4660, Notice of Denial of Principal Residence Exemption (Local (City/Township)) Forms 2742, and Notice of Denial of Principal Residence Exemption (County) Forms 4075.

Public Act 122 amends the General Property Tax Act to extend a misdemeanor penalty to a person who claimed a substantially similar exemption, deduction, or credit on property in another state with the intent to obtain a PRE under the Act.

More information can be found on the PRE website at www.michigan.gov/PRE.

I. Transitional Qualified Forest Property

On June 28th, 2016, Governor Snyder signed into law Public Acts 260, 261, and 262 of 2016. These Acts provide an opportunity for landowners to transfer Commercial Forest property into the Qualified Forest Program (QFP) without payment of a Commercial Forest Reserve withdrawal penalty. Instead, the statutory changes provide for a graduated return to ad valorem property taxes by allowing a five year incremental return to full tax liability. This is accomplished by the creation the Transitional Qualified Forest Property (TQFP) exemption and specific tax.

Public Act 260 creates the "Transitional Qualified Forest Property Specific Tax" for taxes levied after December 31, 2015. To be "Transitional Qualified Forest Property" the property must have previously been Commercial Forest property and must qualify for and have been approved as Qualified Forest Property under MCL 211.7(jj)[1]. Additionally:

1. The property must have been owned by the current owner no later than September 1, 2016,
2. The property must have been CFR no later than September 1, 2016, and
3. The application must be made by September 1, 2021.

If a landowner withdraws property from the Commercial Forest exemption program provided, they may apply to have the forest land determined to be Transitional Qualified Forest Property (TQFP) for a period not to exceed five (5) years. The exemption is limited to a total of 160 acres within each township.

When notified of the exemption (through the receipt of the recorded qualified Forest Property Affidavit and a copy of the recorded CRF withdrawal certificate), the assessor exempts the property from the collection of ad valorem taxes until December 31 of the year in which the property is no longer TQFP. The assessor determines the assessed and taxable values in the same manner as for other properties but instead of paying ad valorem tax, the owner pays a specific tax that is described in detail in Bulletin 8 of 2017.

Public Act 261 amends the General Property Tax Act by making minor changes to MCL 211.7jj to accommodate the Transitional Qualified Forest Property Exemption and to add MCL 211.vv, which exempts TQFP from ad valorem assessment.

More information regarding this exemption can be found in Bulletin 8 of 2017 available on the STC website under the Bulletins tab.

J. Qualified Agricultural Property Changes

PA 375 of 2016 was signed by Governor Snyder on December 28, 2016. This Act amends MCL 211.27a(6)(k) to allow a property owner to request that the assessor establish a separate tax parcel for a portion of a parcel that will no longer be qualified agricultural property. The establishment of the separate parcel *is not* a land division under the Land Division Act, Public Act 288 of 1967, until and unless the separate tax parcel is conveyed. The status of the remainder of the original parcel as qualified agricultural property is not affected by the establishment of the separate parcel that is not qualified agricultural property.

The separately established parcel which is no longer qualified agricultural property is immediately subject to the qualified agricultural property recapture tax, however the taxable value of the separate parcel of property does not uncap until and unless there is a transfer of ownership.

More information can be found in Bulletin 7 of 2017 available on the STC website under the Bulletins tab.

K. Authority of July and December Boards of Review

The State Tax Commission has become aware of a significant number of instances where Boards of Review are acting outside their statutory authorities. MCL 211.53b specifies: The board of review meeting in July and December shall meet only for the purpose described in subsection (1) (Qualified Errors) and to hear appeals provided for in sections 7u (Poverty Exemption), 7cc (Principal Residence Exemption), 7ee (Qualified Agricultural Exemption), 7jj (Qualified Forest Exemption), and 9o (Small Business Taxpayer Exemption).

Assessors should carefully review the Board of Review FAQ on the Commission's website to ensure their Boards of Review are acting within their statutory authorities.