

## **PERSONAL PROPERTY TAXES A GUIDE FOR BUSINESSPERSONS**

### **1. PURPOSE**

The purpose of this brochure is to familiarize business owners with the Personal Property tax. We will attempt to explain the function of the Township/City Treasurer's and Assessor's Offices in the administration of the tax.

### **2. PERSONAL PROPERTY**

Personal property includes furniture, fixtures, equipment and machinery used in the operation of a business. Typical items are desks, chairs, computers, cash registers, racks, beds, televisions, tools, cabinets, and anything used for business but not for resale. If you question whether the property qualifies for the tax, contact the Township/City Assessor's Office.

#### **A. TAX DAY**

Michigan Compiled Laws, Sections 211.13 and 211.14 provide that all personal property will be assessed in the city or township where it is located on Tax Day, even if the owner resides elsewhere. Tax Day of the current year is always December 31 of the previous year.

#### **B. STATEMENT OF PERSONAL PROPERTY**

The Township/City Assessor mails out personal property statements in December of each year. Under State Law, statements are to be filed with the Assessor declaring all personal property. Should you not receive a statement in early January, please contact the Assessor's Office, where your business is located.

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### **C. RETURNING THE FORM**

It is imperative that you return the completed statement in a timely fashion. Statements are due by February 20th of each year. If you do not return this statement, the Assessor is obligated, by law, to estimate the assessment based on available information. If you have gone out of business you must fill that in on the statement. **DO NOT ASSUME** that because you are out of business the Assessor will not assess the personal property. Remember, estimated assessments are valid.

### **D. CONTESTING THE ASSESSMENT**

An assessment may be contested if you feel it is inaccurate. If you disagree with your assessment please contact the Assessor. If needed, you may appeal to the local Board of Review and further to the Michigan Tax Tribunal. However, before filing with the Tribunal, you must have filed your personal property tax statement and must have appealed to the local Board of Review. Contact the Assessor's Office for further details regarding this process.

### **E. JEOPARDY ASSESSMENT**

When the Township becomes aware of a business closing, selling, transferring or downsizing, or if the previous year's personal property tax is delinquent, the Treasurer will levy what is called a "Jeopardy Assessment." Under this procedure, both the July and December bills will be issued in advance to ensure collection of the tax. Non-payment of a jeopardy assessment or prior year's bills will result in seizure or lawsuit.

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## **DELINQUENT PERSONAL PROPERTY TAXES**

If you owe delinquent personal property taxes, **PAY THEM**. The non-payment of these taxes may result in the seizure of the property. Personal Property taxes are considered delinquent the day after they are due. If you have a dispute, pay the taxes and pursue action to show why reimbursement should be made. But, once the opportunity to appeal with the Board of Review has passed and a bill has been issued, the assessment and the bill are both valid and the tax is not refundable.

### **A. SEIZURE**

The Treasurer is authorized to seize and sell personal property of a business if personal property taxes remain unpaid. (Periodic statements serve as a formal notice that the tax is outstanding.) A jeopardy assessment for future taxes, based on the Tax Day assessment, can be levied if these are not paid.

### **B. POSTING OF NOTICE**

Once seized, the personal property of the business is tagged or removed from the property. All property seized will fall under the control of the Treasurer.

### **C. SALE OF PROPERTY**

## Helpful Hints

### A. Buying a Business

1. Make sure that the seller has paid the personal property taxes.

2. Be aware! If you buy after January 1st. The tax bills for the following July-December may be in the name of the old business, but the tax lien on the property remains. Therefore, the property may be seized to pay delinquent personal property taxes even though you may be the new property owner. Make sure you contact the Assessor's Office, and make changes in writing.

3. Call the Township/City Treasurer's Office to find out what personal property taxes are outstanding.

### B. Opening a Business

Please contact the Township/City Assessor's Office to notify them that you are in business within the Township/City and for information concerning personal property.

### C. Going out of Business

Contact the Township/City Assessor and let them know