

MICHIGAN PERSONAL PROPERTY TAX REFORM

The State of Michigan began phasing out its Personal Property Tax (PPT) beginning in 2014. Table 1 and Table 2 summarize the timing of the PPT phase out for small businesses and eligible manufacturing personal property.

Beginning in 2015 taxpayer Personal Property (Form 5076) for claiming the small taxpayer exemption that are submitted after February 10 will not be eligible to receive the exemption and may not appeal to the Board of Review.

TABLE 1. Personal Property Tax Phase Out	
A. Small Business Personal Property	
If commercial or industrial personal property owned or under control of a business within a city or township is worth a total of \$80,000 or less, the personal property is 100% exempt beginning in 2014.	
B. Eligible Manufacturing Personal Property	
Purchase Period	Status
Purchased by first owner in 2006 through 2012	100% exempt when equipment becomes 10 years old <i>(see Table 2 for detailed schedule)</i>
Purchased by first owner before 2006	100% exempt beginning in 2016
Purchase by first owner after 2012	100% exempt beginning in 2016*

TABLE 2. Exemption Schedule for Existing Property	
Purchased by first owner in	100% exemption goes into effect
2006	2017
2007	2018
2008	2019
2009	2020
2010	2021
2011	2022
2012	2023

*Eligible Manufacturing Personal Property will have the biggest impact in 2016 as (this will be the newer) equipment purchased after 2012 will be exempt and also equipment purchased prior to 2007.