

PERSONAL PROPERTY TAX ABATEMENT

DESCRIPTION

Public Act 328 of 1998 allows a limited number of communities, including the City of Detroit, to abate all new personal property taxes of a business in targeted areas to spur economic development.

ELIGIBILITY

Eligible projects include manufacturing, mining, research and development, wholesale trade, and office operations.

Retail business and casinos are not eligible.

New personal property is property not previously subject to property taxes in any other jurisdiction in this state. This includes personal property already in Michigan, but exempt for another reason (for example, property that is receiving a P.A. 198 abatement).

The City of Detroit may, by resolution, exempt new personal property of a business in any of the following areas: an industrial development zone (P.A. 198), a Renaissance Zone, an enterprise zone, a brownfield redevelopment zone, an empowerment zone, a tax increment financing district, a local development financing district, or a downtown development district.

PROCESS

Abatements include all state and local millages. After Detroit City Council approves the abatement, the State Tax Commission (STC) must also approve the local resolution within 60 days. The State Treasurer, with the written consent of the Michigan Economic Development Corporation, is required to provide advice to the STC as to whether the exemption is necessary to "reduce unemployment, promote economic growth, and increase capital investment."

The length of abatement for the new personal property tax is negotiated between the city and the business and formally adopted via a local resolution. The law does not contain a maximum, or a minimum number of years.

If you have questions about this incentive or how to take advantage of it, please call DEGC Business Development Intake at (313) 237-4630.

Detroit Economic Growth Corporation

Business Development Team

500 Griswold, Suite 2200

Detroit, Michigan 48226

PHONE 313.963.2940 | FAX 313.963.8839 | decg.org



We're all business.