

INDUSTRIAL PROPERTY TAX ABATEMENT

DESCRIPTION

Public Act 198 of 1974 provides incentives to build, renovate, or expand facilities used in or related to manufacturing or high-technology use.

ELIGIBILITY

Eligible facilities are those that primarily manufacture or process goods or materials by physical or chemical change. Related facilities such as those used for engineering, research and development, warehousing, parts distribution, logistics or offices are also eligible for exemption.

Additionally, operations that engage in high-technology activity as defined by the Michigan Economic Growth Authority (MEGA) Act are also eligible. These activities include: advanced computing, advanced materials, biotechnology, electronic device technology, engineering or laboratory testing related to product development, medical device technology, product research and development, and advanced vehicles technology or technology that assists in the assessment or prevention of threats or damage to human health or environment.

Abatements can also apply to new machinery and equipment for eligible facilities.

PROCESS

Before a property tax abatement can be approved, an Industrial Development District (new project) or a Plant Rehabilitation District (rehabilitation project) must be established by Detroit City Council. Once that is complete, local and state approval for the abatement is required before any investment is made.

Applications are filed with the city clerk once a district has been established and no later than six months after project commencement. If adopted by city council the application must also be approved by the State Tax Commission (STC) after review by the Michigan Economic Development Corporation (MEDC).

Detroit City Council is responsible for determining the length of the abatement, which may be up to 12 years for an eligible facility.

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

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We're all business.