

## **Personal Property Tax FAQ**

### **What is personal property tax?**

General explanation – the Michigan Constitution provides for the assessment of all real and tangible personal property not exempted by law. Personal Property is property used for business purpose that is not real estate.

### **What is personal property?**

Examples of personal property include furniture and fixtures, machinery and equipment, office and electronic equipment, computer equipment, coin-operated equipment, rental equipment as well as certain leasehold improvements that are not part of real property. This list is not inclusive.

### **What are the reporting requirements?**

Any business, unless specifically exempt, is required to file a personal property statement with the Assessor of each jurisdiction they may have had personal property on December 31<sup>st</sup> of the prior year. When reporting your personal property, you must include the full acquisition costs new, in the year of acquisition, including applicable freight charges, installation costs and sales tax. If you purchased any assets used, you need to report the historical cost when new, in the appropriate year, if known. Report costs, not book value or your estimation of value. Also include fully depreciated assets. Provide documentation when necessary.

### **What if I have leased equipment?**

Generally, when you lease equipment the lessor (owner) is assessed for the equipment. Your responsibility as the lessee is to provide the information requested in the appropriate section of your personal property statement. (see instructions). Amounts reported for leased equipment should NOT be included elsewhere on the statement.

### **When is the Personal Property Statement due?**

The statutory due date for filing a personal property statement is February 20<sup>th</sup> of each year. If you had assessable personal property on December 31<sup>st</sup> of the preceding year, you are required to complete and submit a personal property statement on or before this due date.

### **Where do I get a Personal Property Statement?**

The Assessor sends the statements out the first part of January each year. They are sent to taxpayer believed to have personal property in their jurisdiction. If you do not receive a statement but have assessable personal property you are still required to file. Forms are available at the Assessors office. They can also be accessed from the internet at the following address: [www.michigan.gov/treasury](http://www.michigan.gov/treasury).

### **What happens if I do not file a Personal Property Statement by the due date?**

If you do not file a personal property statement the Assessor is required to make an assigned assessment of what she believes to be the value of your personal property. Also, non-filers are subject to a misdemeanor charge and jeopardize their right to appeal their assessment.

### **Can I appeal by assessment?**

If you do not agree with your assessed value you can appeal your assessment. Appeals are granted only if you filed your personal property statement by the statutory due date and make your appeal within the time frame specified on the assessment notice. **THE ONLY WAY TO PROTECT YOUR APPEAL IS TO FILE A TIMELY STATEMENT.**