

## **A Business Owners Guide to Personal Taxes**

### **PURPOSE**

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

### **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 Assessor's Office.

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

The Township Assessor values your personal property on Tax Day. Under Michigan Law, (211.2) Tax Day is December 31<sup>st</sup> of each year. Property valued at market or true cash value and assessed at 50% thereof.

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

The Township 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.

### **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**

If unpaid personal property taxes remain after seizure, the Treasurer may sell the property in accordance with State Law (211.47)

#### **D. RETURNING THE FORM**

It is imperative that you return the completed statement in a timely fashion. Statements are due by February 20<sup>th</sup> of each year. If you do not return the 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.

#### **E. 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, to file with the Tribunal, you must have filed your personal property tax statement and must appeal to the local Board of Review. Contact the Assessor's Office for further details, regarding this process.

#### **F. 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.

## **HELPFUL HINTS**

### **A. Buying a Business**

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

Be aware! If you buy after January 1<sup>st</sup>, 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.

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

### **B. Opening a Business**

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

### **C. Going Out of Business**

Contact the Township Assessor and the Township Treasurer to let them know.

### **D. Leasing Equipment**

Leased equipment should be reported on the personal statement.

As the owner of a business, you can benefit greatly from understanding Personal Property Taxes and how they affect your business. These instructions are designed to provide you with information you need to meet the requirements of the law. If you have any further questions, please contact the Township Treasurer's Office or the Township Assessor's Office for current and delinquent information.