

SUBSTITUTE FOR  
SENATE BILL NO. 864

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
(MCL 211.1 to 211.157) by adding section 7hh.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 7hh. (1) For taxes levied after December 31, 2003,  
2 except as otherwise provided in subsection (2), real and personal  
3 property of a qualified start-up business is exempt from the  
4 collection of taxes under this act for 5 years beginning on the  
5 December 31 in the year in which the qualified start-up business  
6 first claimed the credit under section 31a of the single business  
7 tax act, 1975 PA 228, MCL 208.31a, or section 51f of the income  
8 tax act of 1967, 1967 PA 281, MCL 206.51f.

9       (2) Real and personal property of a qualified start-up  
10 business is not exempt from collection of the following:

11       (a) A special assessment levied by the local tax collecting

1 unit in which the property is located.

2 (b) Ad valorem property taxes specifically levied for the  
3 payment of principal and interest of obligations approved by the  
4 electors or obligations pledging the unlimited taxing power of  
5 the local governmental unit.

6 (c) A tax levied under section 705 or 1212 of the revised  
7 school code, 1976 PA 451, MCL 380.705 and 380.1212.

8 (3) A qualified start-up business may claim the exemption  
9 under subsection (1) by filing an affidavit claiming the  
10 exemption with the assessor of the local tax collecting unit.  
11 The affidavit shall be in a form prescribed by the state tax  
12 commission.

13 (4) As used in this section, "qualified start-up business"  
14 means that term as defined in section 31a of the single business  
15 tax act, 1975 PA 228, MCL 208.31a.