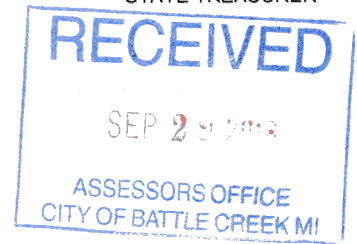


5102 (Rev. 04-15)  
RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

NICK A. KHOURI  
STATE TREASURER



September 20, 2016

Steven M. Hudson  
City of Battle Creek, Calhoun County  
10 N. Division Street Ste. 104  
Battle Creek, MI 49016-1717

Dear Assessor:

Significant changes to the Business Personal Property Taxes began in 2016. Specifically, beginning with the 2016 assessment year, qualified new personal property and qualified previously existing personal property located on occupied real property is exempt from taxation as eligible manufacturing personal property (EMPP). To claim an EMPP exemption, a fully completed Form 5278 must be received by the Assessor of the local unit of government where the qualified personal property is located no later than February 20.

Once personal property becomes exempt under MCL 211.9, it is subject to the full ESA Specific Tax and does not pay the IFT Specific Tax. In 2016, personal property placed in service in 2013 or later is exempt under MCL 211.9n. For example an IFT approved effective 12/31/16 could include personal property placed in service in 2015, 2016 and 2017 etc. If a taxpayer filed Form 5278 for the IFT personal property parcel in 2017, the personal property placed in service in 2015 and 2016 would be exempt under MCL 211.9n and would pay ESA and not the IFT specific tax.

In light of these personal property tax changes for eligible manufacturing personal property, we encourage all local units to review their approval procedures for issuing industrial facilities exemptions pursuant to Public Act 198 of 1974. More information on EMPP and the ESA specific tax is available at [www.michigan.gov/esa](http://www.michigan.gov/esa).

Sincerely,

Heather S. Frick, Executive Director  
State Tax Commission

Re: 2016-088