

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.9c Exemption of personal property from tax collection; “heavy earth moving equipment” and “inventory” defined.

Sec. 9c.

- (1) Personal property that is inventory is exempt from the collection of taxes under this act.
- (2) As used in this section:
 - (a) "Heavy earth moving equipment" means industrial construction equipment that meets all of the following criteria:
 - (i) Is self-propelled.
 - (ii) Weighs 10,000 pounds or more.
 - (iii) Is designed and principally intended to move, transport, or reconfigure dirt, earth, soil, or other construction material at a construction site.
 - (b) "Inventory" means 1 of the following:
 - (i) The stock of goods held for resale in the regular course of trade of a retail or wholesale business.
 - (ii) Finished goods, goods in process, and raw materials of a manufacturing business.
 - (iii) Materials and supplies, including repair parts and fuel.
 - (iv) On and after December 31, 2000, heavy earth moving equipment subject to 1 or more lease agreements with the same person totaling not more than 1 year and principally intended for sale rather than lease. A lease agreement used to support this exemption shall be made available to the assessor on request and shall be considered confidential information to be used for assessment purposes only.
- (3) Inventory does not include the following:
 - (a) Before December 31, 2000, any of the following:
 - (i) Personal property under lease or principally intended for lease rather than sale.
 - (ii) Personal property allowed a deduction or allowance for depreciation or depletion under the internal revenue code of 1986.
 - (b) On and after December 31, 2000, any of the following:
 - (i) Personal property, other than heavy earth moving equipment, under lease or principally intended for lease rather than sale.
 - (ii) Heavy earth moving equipment subject to 1 or more lease agreements with the same person totaling more than 1 year or principally intended for lease rather than sale.
 - (iii) Personal property for which a deduction or allowance for depreciation, depletion, or amortization is allowed or has been taken under the internal revenue code of 1986.

History: Add. 1975, Act 234, Imd. Eff. Aug. 27, 1975 ;-- Am. 2000, Act 317, Imd. Eff. Oct. 24, 2000

Popular Name: Act 206