

2023 Board of Review Training



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Introduction

This training has been approved by the State Tax Commission as meeting the Board of Review member training requirements in MCL 211.10g.

More detailed information on topics covered in this training can be found through Bulletins or STC Publications found on the STC website at

<https://www.michigan.gov/statetaxcommission>

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Background Information

Michigan Constitution

- Requires the Legislature to provide a uniform property tax system to assess all properties uniformly at a level not to exceed 50% of a property's "true cash value."

General Property Tax Act

- The law that provides for assessment and rights of property and the levying and collection of taxes. Including prescribing certain rights and authorities of officers, departments and agencies as applied to assessment and taxation.

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Background Information

State Tax Commission

- STC has general supervision of the administration of the property tax laws of the state
- Must provide assistance and give advice that the STC finds necessary and essential to the proper administration of the laws governing assessments and the levying of taxes

Michigan Tax Tribunal

- Administrative agency that hears tax appeals for all Michigan taxes including appeals from board of review decisions
- MTT decisions are binding on the parties to the appeal for the year(s) the appeal covers

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Background Information

- **True Cash Value (TCV):** the usual selling price at the place where the property to which the term is applied is at the time of assessment, being the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale.”

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Background Information

- **Assessed Value (AV):** 50% of a parcel's True Cash Value (TCV)
- **State Equalized Value (SEV):** the Assessed Value (AV) after State Equalization is completed

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Background Information

Capped Taxable Value: this is a math formula:

(Prior year's taxable value – Losses) X IRM + Additions

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Background Information

Taxable Value (TV): the lower of a parcel's State Equalized Value (SEV) or capped value.

Under Michigan law, TV cannot increase annually by more than 5% or the rate of inflation, whichever is lower, except that the TV can be increased when something new is added (additions) or if the assessor discovers there is omitted property. TV can also "uncap" which means it increases equal to the SEV in the year following a transfer of ownership. TV can never be higher than SEV, but it can be lower.

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Background Information

SEV

State Equalized Value (SEV) is property uniformly assessed by the assessor at 50% of the usual selling price, or the True Cash Value.

**1.05
(2023)**

TV

Taxable (TV) is the value used to calculate the property taxes for a property. In general, the taxable value multiplied by the appropriate millage rate yields the property taxes for a property.

Except for additions and losses to a property, annual increases in the property's taxable value are limited to 1.05 or the **Inflation rate (CPI)**, whichever is less.

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Background Information

SEV

State Equalized Value (SEV) is property uniformly assessed by the assessor at 50% of the usual selling price, or the True Cash Value.

TV

Taxable (TV) is the value used to calculate the property taxes for a property. In general, the taxable value multiplied by the appropriate millage rate yields the property taxes for a property.

Taxable Value Uncapping

In the year following a statutory transfer of ownership, that limitation is eliminated, and the property's taxable value is set at 50% of the property's True cash value (i.e., the State equalized value). This is what is meant by "taxable value uncapping. MCL 211.27a(3)

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Background Information

MCL 211.10e requires assessors to use only the official Assessor's Manual approved by the State Tax Commission.

The Michigan Assessor's Manuals are used for estimating reproduction costs for residential, agricultural, commercial and industrial properties.

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Background Information

County Multipliers

Mandatory cost multipliers published by the STC which must be used to update the published costs to current costs for the determination of True Cash Value as of December 31, 2022

BOR has no power to make changes to these multipliers

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Background Information

Boards of Review were created to do “whatever is necessary to make the roll comply” with the General Property Tax Act.

The Board of Review is far more important to the property valuation and taxation process than is often realized.

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Background Information

A Board of Review is not the assessor and the assessor is not the Board of Review.

Every citizen who appears before the Board of Review is technically challenging a decision of the assessor.



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Background Information

- Boards of Review are established in statute in the General Property Tax Act, beginning with MCL 211.28.
- In townships, Boards of Review are appointed by the Township Board.
- Board of Review members must be electors of the Township – meaning they must be 18 years old and at least 2/3 of the members must be property taxpayers.

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Background Information

- Boards of Review for Cities are prescribed by City Charter.
- In the absence of a Charter provision, those City Boards of Review follow the requirements for a Township Board of Review.

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Background Information

- Board of Review members serve two-year terms that begin on January 1 of odd numbered years.
- Members of the Township Board cannot serve as members of the Board of Review
- The spouse, mother, father, sister, son, daughter or adopted child of the assessor cannot serve as a member of the Board of Review

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Background Information

- Boards of Review are comprised of three members and two must be present to conduct business.
- Large local units may “sit” multiple boards, but they must each be comprised of three members.
- Members cannot move around between Boards of Review, even when there is a conflict of interest.

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Background Information

- All Board of Review meetings must follow the requirements of the Open Meetings Act
- This is true for ALL business of the Board of Review including review of poverty exemptions.

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What Happens Prior to March Board of Review

Assessors are required to annually certify that they have met guidelines that include:

- Appraise and assess taxable property (including new construction and including ensuring the taxable value uncapping of property following transfers of ownership).
- Prepare and maintain the assessment roll, property classifications, property descriptions, special act rolls and other assessment records and have an established procedure to update records on a regular basis.
- Attend BOR meetings, meet with the public and provide access to assessing records when requested.
- Conduct personal property canvasses.

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What Happens Prior to March Board of Review

Personal Property

Personal property includes movable items not permanently attached to the real estate.

To decide if an item is real or personal consider the following:

1. The manner in which it is attached
2. The intention of the installer – to permanently attach or to eventually remove
3. The purpose for which the premises are used

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What Happens Prior to March Board of Review

Assessors are required to mail personal property statements (Form 632) by January 10th each year. All owners or possessors of assessable personal property are required to file a Personal Property Statement (Form 632) annually, no later than February 20, with the assessing officer of the unit where the property has situs, unless they are Eligible Manufacturing Personal Property or subject to the Small Business Taxpayer Exemption.

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What Happens Prior to March Board of Review

If an Assessor sends Form 632 to the owner and it is not completed and returned, the Assessor is required to make an estimated assessment, unless the taxpayer has identified their property as EMPP and filed Form 5278 or have filed the Small Business Taxpayer Exemption Affidavit (5076).

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What Happens Prior to March Board of Review

Assessors must send out their assessment change notices not less than 14 days before the first meeting of the Board.

The STC has determined this means not less than 14 days before the first appeal meeting; held on the second Monday in March.

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What Happens Prior to March Board of Review

Notice of the March Board of Review meetings must be provided at least one week prior to the meeting and must be published in a generally circulating newspaper of the area in three successive issues.

If a newspaper is not available, the notice must be posted in five conspicuous places in the Township.

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What Happens Prior to March Board of Review

MCL 211.107 provides that Cities and Charter Townships may require that the taxpayer appeal to the assessor as a prerequisite to an appearance before the Board of Review.

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What Happens Prior to March Board of Review

- Appeal meetings of the March Board begin on the 2nd Monday in March.
- Local units can set an alternative start date for the appeal meetings by adopting an ordinance or resolution.
- Alternative start date can only be the Tuesday or Wednesday of that same week (i.e. the Tuesday or Wednesday following the 2nd Monday in March).

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What Happens Prior to March Board of Review

The local unit governing body may, by resolution, permit residents to file a protest by letter without an appearance by the taxpayer or agent.

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Questions



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March Board of Review

- The March Board of Review begins their work on the Tuesday following the first Monday in March.
- On this day, the Board holds their **organizational meeting** and formally receives the assessment roll from the assessor.
- The Board will not hear appeals at this first meeting.

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March Board of Review

Organization meeting:

- Chairperson is elected
- Rules of procedure are drafted
 - Appointments, how much time will be provided, when decisions will be made, how the room will be set
- Changes in assessments are discussed
 - Land valuation studies and Economic Condition Factor studies are reviewed with the assessor along with County Equalization studies
- Changes in laws are discussed
- Safety plan is discussed

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March Board of Review

The chairperson has several duties:

- Call meetings to order, calling for motions and votes and all other actions necessary to open, run and close a meeting.
- Assure an orderly conduct during the meeting.
- To see that orders and procedures are adopted, and
- To conduct official duties on behalf of the Board (e.g. administer oaths and sign documents).

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March Board of Review

MCL 211.30—Except as otherwise provided in subsection (2), the board of review shall meet on the second Monday in March **(March 13)**.



(2) The governing body of the city or township may authorize, **by adoption of an ordinance or resolution**, alternative starting dates in March when the board of review shall initially meet, which alternative starting dates shall be the Tuesday or Wednesday following the second Monday of March.



Must Meet:

Total of 12 hours; with at least 3 hours after 6 pm

- Start first appeal meeting no earlier than 9:00 a.m. and not later than 3 pm

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March Board of Review

Appeal meetings of the March Board begin on the 2nd Monday in March (unless the local unit has adopted an alternate start date on the Tuesday or Wednesday of that same week)

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March Board of Review

- The Board may require testimony under oath and any Board member can administer the oath.
- **Non-resident taxpayers** are not required to appear in person, instead they may file their appeal by letter.
- **Resident taxpayers** may file an appeal by letter if authorized by local unit resolution

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March Board of Review

The Board may change a value or add a value to the roll by its own motion, **provided that the taxpayer whose property has been changed is promptly notified** and has an opportunity to be heard at the meeting where the change was made or at a subsequent meeting.

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March Board of Review

After the Board of Review has finished its work, a majority of the members must sign an endorsement that the roll is the assessment roll for the township or city for the year in which it was prepared and approved.

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March Board of Review

The March Board of Review must complete their work by the first Monday in April.

Assessment rolls must be turned over to County Equalization by the Wednesday following the first Monday in April **or** 10 days following the close of the March Board, whichever is first.

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March Board of Review

Persons making a protest, request or application are to be notified in writing of the Board's action, no later than the first Monday in June

The statement must include an address and notification of the final date for appeal to the Tax Tribunal (or to the State Tax Commission for classification appeals)

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Questions and Time for a Break



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March Board Authorities

The March Board of Review is tasked with looking at the **current year** assessment roll.

The March Board does not have authority to go back in time and review prior year matters.

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March Board Authorities

Current Year Assessed or Tentative Taxable Value

If the Board of Review changes an Assessed Value, it must also consider whether this change has caused the Tentative Taxable Value to change.

- This could happen because tentative Taxable Value is the lower of the Assessed Value and the Capped Value.

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March Board Authorities

Appeal of a denial by the assessor of a timely filed Small Business Taxpayer Exemption (MCL 211.9o, Form 5076).

More information on the Small Business Taxpayer Exemption can be found on the STC website in the *Guide to the Small Business Taxpayer Exemption*.

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March Board Authorities

Appeal of a denial by the assessor of a timely filed Eligible Manufacturing Personal Property Exemption

(MCL 211.9m, MCL 211.9n, Form 5278)

More information can be found in the *Assessor Guide to the Eligible Manufacturing Personal Property Tax Exemption and ESA*.

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March Board Authorities

A late filed Small Business Taxpayer Exemption (Form 5076) or Eligible Manufacturing Personal Property Exemption (Form 5278)

Taxpayers may file their forms with the March Board of Review if they missed the February 20th deadline. If the taxpayer meets all of the requirements, the March Board of Review should grant the exemption.

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March Board Authorities

A late filed Personal Property Statement (Form 632)

Taxpayers may file the Personal Property Statement with the March Board of Review if they missed the February 20th deadline.

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March Board Authorities

Appeal of a denial by the assessor of a continuation of the eligible development property exemption

"Eligible development property" is a residential dwelling, condominium unit or other residential structure that was new construction after December 30, 2012 and the land on which the residential dwelling, condominium unit or other residential structure is located that meets all the following conditions:

- Is not occupied and has never been occupied. In the case of a condominium or other residential structure that consists of multiple units, occupancy does not occur until all of the units are occupied. Any unit that is occupied is not eligible for the exemption.
- Is available for sale.
- Is not leased.
- Is not used for any business or commercial purpose. This restriction does not apply to real property used as an on-site office in a specific development.

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March Board Authorities

Property Classification

- Real Property Classifications
 - Residential
 - Agricultural
 - Commercial
 - Industrial
 - Developmental
 - Timber Cut-over
- Personal Property Classifications
 - Residential
 - Agricultural
 - Commercial
 - Industrial
 - Utility

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March Board Authorities

Primary in consideration of classification appeals is the requirement that the property be classified according to its current use and that zoning does not dictate classification.

A property cannot have more than one classification. MCL 211.34c (5) states that if the total usage of a parcel includes more than one classification, the assessor shall determine the classification that most significantly influences the total valuation of the parcel.

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QUESTION

Given the following pricing, how should this mixed-use parcel be classified?

Agricultural Value

67 Tillable Acres = \$65,000 True Cash Value

Equipment Shed = \$10,000 True Cash Value

Total Agricultural Use = \$75,000 TCV

Commercial Value

Winery = \$125,000 True Cash Value

Total Commercial Value = \$125,000 TCV

Residential Value

House = \$22,000 True Cash Value

Recreational Land = \$170,000 True Cash Value

Total Residential Value = \$192,000 TCV



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ANSWER

Property should be classified to the use that has the greatest influence on the value of the property. The Residential aspects of the parcel contribute the most value to the parcel. This means the classification would be Residential.

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March Board Authorities

Appeal of a denial by the assessor of a continuation of a qualified agricultural exemption

Taxable value corrections due to the incorrect calculation of taxable value

- This may be due to an uncapping issue.

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March Board Authorities

The land assessment for a property with an Industrial Facilities Tax Roll Certificate

The March Board of Review may adjust the IFT roll assessment of a “New” Industrial Facilities Tax Certificate.

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March Board Authorities

The authority of the Board of Review over properties located within tax capturing authorities such as Downtown Development Authorities, Brownfield Authorities, Local Development Financing Authorities et cetera, is the same as its authority over any ad valorem parcel on the assessment roll.

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March Board Authorities

Disabled Veterans Exemptions

Boards of Review are required to approve disabled veteran exemptions in accordance with statutory requirements.

Boards **cannot** make the decision if an individual is disabled or individually unemployable.

- Those decisions are made by the Federal Department of Veteran's Affairs.

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March Board Authorities

Disabled Veterans Exemptions

The Court of Appeals determined that under the language in MCL 211.7b, if the disabled veteran had not used and owned the property as a homestead prior to their death, the unremarried surviving spouse could not qualify to receive the Disabled Veterans Exemption on that property.

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March Board Authorities

Poverty Exemptions: MCL 211.7u requires local units to adopt a policy, including an asset test, used to approve or deny poverty exemptions.

The Board or Review must follow the policy and guidelines of the local assessing unit in granting or denying a poverty exemption

- Not able to deviate from the local unit guidelines for “substantial and compelling reasons” starting with law change for 2021

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March Board Authorities

- Federal income levels used are those adopted in the *prior* tax year (2022 federal levels are used for 2023 exemptions)
 - The adopted income levels shall not be set lower than the federal poverty guidelines
 - Local unit can set income levels higher than the federal levels
- Local unit must make the policy, guidelines, and application form available on their website

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March Board Authorities

If a person meets all eligibility requirements in statute, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value OR a partial exemption equal to a 25% or 50% reduction in taxable value OR any other percentage reduction in taxable value approved by the STC

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March Board – No Authority

Equally as important as the March Board of Review authorities is an understanding of things the March Board has no authority to consider or act on.

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March Board – No Authority

1. The BOR cannot act on millage rates or because a tax is too high. Taxpayers may raise these issues during an appeal, but the Board has no authority to act.
2. A Board of Review cannot make wholesale or across the board adjustments to assessments. A Board of Review must consider each parcel and act upon it individually.
3. A Board of Review does not have the authority to make changes to alter, evade or defeat an equalization factor assigned by the county or the state.

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March Board – No Authority

4. A Board of Review cannot raise or lower the Tentative Taxable Value, unless they also raise or lower the Assessed Value and/or the Capped Value.
5. The Board of Review may not reject or prepare an assessment roll but must consider only the assessment roll prepared by the assessor.
6. The March Board of Review has no authority to consider or act upon protests or appeals of homeowner's Principal Residence Exemptions.

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March Board – No Authority

7. The Board of Review has no authority to alter an IFT assessment where a “Rehabilitation” certificate or a “Replacement” certificate has been issued.
8. The Board does not have the authority to review the denial of a Qualified Forest Exemption by the Department of Agriculture and Rural Development.
9. The Board does not have authority to change the DNR “PILT” roll. This roll is solely under the purview of the State Tax Commission

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QUESTION

Taxpayer appeals to the March Board of Review and indicates the taxes they have to pay are too high.

They agree with the value of their home, they disagree with the millage rates.



What should the March BOR do?

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ANSWER

The March Board of Review has no authority to change millage rates and no authority to modify assessed or taxable value to reflect its disagreement with the amount of resulting tax liability.

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How to Handle Protests

Taxpayers do not always have the resources or funds to offer written documents as evidence.

There is nothing wrong with the Board listening and giving credibility to verbal testimony when warranted.

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How to Handle Protests

Taxpayers will often protest their property value indicating they should be valued at what they paid for the property.

Michigan law requires that all property be uniformly assessed at 50% of the usual selling price, sometimes called the true cash value.

Each year assessors prepare an assessment roll that contains “traditional” assessed valuations at 50% of true cash value.

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How to Handle Protests

Boards of Review may want to consider having a computer available with a projector so that everyone can see the record card and current photographs of the property that is being appealed.

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How to Handle Protests

Boards of Review can examine a property in person with the approval of the homeowner.

However, Boards are not required to examine a property in person when requested by the homeowner.

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How to Handle Protests

Following a hearing, a Board of Review must make decisions with a quorum present and decisions based upon evidence and fact.

Decisions of the Board can be made at the meeting in front of the petitioner or they can be made later at a meeting called specifically to make decisions.

However decisions must be made at an open public meeting regardless of when they are made.

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How to Handle Protests

The actions of the BOR must be recorded in a specific manner and format. This should be done by the secretary for the BOR.

- By law, secretary is township supervisor (not the assessor).
- If the supervisor cannot act, the BOR must appoint 1 of the BOR members to be the secretary

The documentation includes minutes, a copy of the form 4035 and the 4035a (whenever the Board of Review makes a change that causes the Taxable Value to change).

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How to Handle Protests

A log identifying the hearing date, the petition number, the petitioner's name, the parcel number, the type of appearance, the type of appeal and the action of the Board.

Actual hours in session should be recorded daily along with the time of the daily adjournment. Date and time of the final annual session should be recorded.

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QUESTION

Taxpayer appeals to the March Board of Review indicating they paid \$150,000 for their home and the assessor has valued the property at \$225,000.

They are asking the Board to set the value of the home at the sales price.

What should the March BOR do?



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ANSWER

The March Board of Review has the authority to consider the matter, because the taxpayer is contesting the valuation determined by the assessor.

Although the Board can consider the purchase price, as one of many factors in its review of the assessment, it cannot set the true cash value based solely on the price paid for the property.

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Questions and Time for a Break



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July and December Boards of Review

The July Board meets on the Tuesday following the third Monday in July and the December Board meets the Tuesday following the second Monday in December.

The local unit can pass an ordinance or resolution to permit an alternative date

- That date must still be during the week of the third Monday in July and the second Monday in December.

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July and December Boards of Review

Unlike the March meetings, the meetings of the Board in July and December may start and end at times established by the Board of Review and there are no specific notice requirements in the statute.

July and December Boards of Review must still follow the requirements of the Open Meetings Act.

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July and December Boards of Review

There is a difference between the actions that may be taken at the March Board of Review and those that may be taken at the July and December meetings.

As a general rule, the Board of Review may exercise its full powers during the March meeting, except that it may not hear certain exemption appeals.

July and December meetings are held for limited purposes.

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July and December Boards of Review

The July or December BOR may decide:

- Poverty Exemption
- Disabled Veterans Exemption
- Qualified Forest Exemption
- Qualified Agricultural Property Exemption
- Eligible Development Property Exemption

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July and December Boards of Review

Poverty Exemption

- Can be granted for current year only if there was no decision by a previous BOR that year

Disabled Veterans Exemption

- Can be granted for current year only if there was no decision by a previous BOR that year

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July and December Boards of Review

Qualified Forest Exemption

- The July and December Boards of Review may correct the omission of the exemption if it was approved by the Department of Agriculture and Rural Development but was mistakenly omitted from the roll, for the current year and the immediately preceding year.

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July and December Boards of Review

Qualified Agricultural Property Exemption

- BOR may review a denial by the Assessor for the current year if the exemption was not in existence for the previous year.
 - Example: No QAE on the assessment roll in 2022. Assessor issued a denial for 2023. 2023 denial can be appealed at July or December BOR

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July and December Boards of Review

Qualified Agricultural Property Exemption

- If a property met the requirements to be Qualified Agricultural Property on or before May 1 of the year or years for which the exemption is claimed, and there has not been a previous denial of the exemption for that immediately preceding year, the owner may file an appeal to the July or December Board of Review requesting that the Qualified Agricultural Exemption be granted for the immediately preceding year and/or for the current year.

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July and December Boards of Review

Eligible Development Property Exemption

- The July and December Boards of Review may review a denial by the Assessor of an Eligible Development Property Exemption for the current year only.
- An owner may file an appeal with the July Board of Review for summer taxes or, if there is not a summer levy of school operating taxes, with the December Board of Review.

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July and December Boards of Review

Eligible Development Property Exemption

- An owner of eligible development property for which an exemption was not on the tax roll may file an appeal with the July or December Board of Review in the year the exemption was claimed or the immediately succeeding year.

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July and December Boards of Review

The July or December BOR may also correct **qualified errors** listed in MCL 211.53b(6):

- a) Correction of a Clerical Error. The error must be an error made by the Assessor relating to the correct assessment figures, the rate of taxation or the mathematical computation of the tax or must be an error in the rate of taxation which was applied. The court decisions indicate that to be clerical error (other than the application of an incorrect rate of taxation), the Assessor must have made an error which is transpositional, typographical, or mathematical.
- b) A Mutual Mistake of Fact, where the mistaken belief of fact was shared by the Assessor and the Taxpayer at the time the assessment was made.

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July and December Boards of Review

- c) An adjustment under section 27a(4) or an exemption under section 7hh(3)(b).
 - MCL 211.27a(4): The July and December Boards of Review may re-cap a Taxable Value which was previously uncapped, when the Assessor determines that the previous uncapping was mistaken. **Can go back 3 years**
 - MCL 211.7hh(3)(b): The December Board of Review may grant of an exemption, at the election of the Taxpayer, for a Qualified Start-Up Business.

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July and December Boards of Review

- d) For Real Property only, an error of measurement or calculation of physical dimensions or components.
- e) For Real Property only, an error of Omission or Inclusion of part of the property.
- f) For Real Property only, an error as to the correct Taxable Status (exempt status) of the property.

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July and December Boards of Review

- g) For Personal Property only, an error by the taxpayer in the preparation of a Personal Property Statement. The taxpayer must have timely filed a Personal Property Statement.
- h) An error made in the denial of a claim of the Small Business Taxpayer Exemption.

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July and December Boards of Review

- i) An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse that causes a denial of an exemption under section 7b. An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse means an error made by the local tax collecting unit in the processing of a timely filed exemption affidavit or a delay in the determination by the United States Department of Veterans Affairs that a veteran is permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate

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July and December – No Authority

- As discussed previously with the March Board of Review, it is very important that the July and December Boards of Review understand the limitations of their authorities.
- Sometimes assessors will bring items to the July and/or December Board of Review to have them approve the item, even though the BOR has no authority to make the change.
 - Remember that the BOR is independent from the assessor and the July/December BOR should not act on any item not listed in MCL 211.53b

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July and December - No Authority

Specially the July and December Boards of Review have no authority over the following items:

- A denial by the March Board of Review of a Poverty Exemption.
- A denial by the Assessor, an auditing county or the Michigan Department of Treasury of a Principal Residence Exemption (PRE).

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July and December - No Authority

- A denial by the Assessor of the continuation for the current year of a Qualified Agricultural Property Exemption where the exemption was in existence for the previous year.
- The July and December Boards of Review cannot review the classification determinations made by the Assessor and/or by the March Board of Review.

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July and December – No Authority

- The July and December Boards of Review cannot consider changes in valuation (true cash value) unless it is a correction of a qualified error.
- The July and December Boards of Review cannot recap a Taxable Value where a purchaser of Qualified Agricultural Property files a late Affidavit (after the close of the March Board in the year of the transfer).

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July and December - No Authority

July and December Boards of Review hearing valuation appeals.

The July and December Boards of Review have no authority to make a valuation determination even if the March Board of Review deferred a decision on a valuation matter and asked that it be reviewed by the July or December Board.

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July and December – No Authority

- The July and December Boards of Review cannot approve an exemption for Eligible Manufacturing Personal Property or for the Small Business Taxpayer Exemption.
- The March, July and December Boards of Review may not consider any aspect of a delayed uncapping of Taxable Value.

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2023 Inflation Rate Multiplier

Inflation Rate Multiplier: The inflation rate, expressed as a multiplier, to be used in the 2023 Capped Value Formula is 1.05.

2023 CAPPED VALUE = (2022 Taxable Value – LOSSES) X 1.05 + ADDITIONS

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2023 Millage Reduction Fraction

The inflation rate multiplier of 1.079 must be used in the calculation of the 2023 “Headlee” Millage Reduction Fraction required by MCL211.34d.

$$\frac{(\text{2022 Taxable Value} - \text{LOSSES}) \times 1.079}{\text{2023 Taxable Value} - \text{ADDITIONS}}$$

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Principal Residence Exemption

Public Act 141 of 2022 amended MCL 211.7cc and 211.53b regarding the Principal Residence Exemption. PA 141 made the following changes effective July 2022:

- Eliminated the July and December Board of Review appeal process in MCL 211.7cc(15) and 211.53b regarding claiming a principal residence exemption for which the exemption was not on the property for the current and previous three years. **The July and December Board of Review have no authority to grant the exemption**

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Small Business Taxpayer Exemption

- Combined true cash value limit for personal property increased from \$80,000 to \$180,000
- Form 5076 and STC Guidance has been updated

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Revised July/Dec BOR Affidavit

- [Form 4031](#) *July/December Board of Review Affidavit* revised
- Now includes a separate check box for each possible 211.53b decision that can be made at July or December BOR
- 2023 July and December BOR should use this Form

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