PORTAGE
A Natural Place to Move

Department of Community Development

Industrial Tax Abatement Application Information

The following information is provided regarding available tax abatements for industrial companies. Tax abatements for eligible industries are available pursuant to Public Act 198 of 1974, as amended. According to this Michigan statute, the request for an abatement will require a public hearing prior to establishing the district and a public hearing prior to issuing an industrial facility exemption certificate.

For your review, attached please find a copy of the CITY OF PORTAGE INDUSTRIAL TAX ABATEMENT INCENTIVE POLICY that was adopted by City Council. The Michigan Department of Treasury application (form 1012) is also attached for your use. The Portage City Council adopted this policy in March 2015 and established a maximum six-year abatement period for real property and a maximum three-year abatement period for personal property. The policy also provides criteria for considering tax abatements for longer periods of time than noted above.

If you wish to apply for an Industrial Development District and an Industrial Facility Exemption Certificate, please submit the following:

- Letter of request and four copies of the applicable Michigan Department of Treasury Form 1012 to the Office of the City Clerk.
- Legal description, site plan and survey of the proposed district (on 8-1/2 inch by 11 inch paper), which will conform to the outer perimeter of the building foundation and site improvements necessary for the operation of the facility (including access drives, off-street parking and loading areas, water, sanitary sewer and storm water facilities).
- For personal property, a complete listing of personal property investments is to be provided.
- If applicable, provide a copy of the real property/facility and or personal property/equipment lease(s). The term of any lease must be at least as long as the tax abatement period requested.
- Annual salary of the job(s) expected to be created and retained within two years of project completion.
- Notarized statement that the company is in compliance with applicable environmental requirements and whether or not the company is under enforcement action by the Michigan DEQ or US EPA.
- A copy of the Portage resolution establishing the industrial development or plant rehabilitation district, if applicable.
- The filing fee is $1,800, or two percent of the total property taxes abated under the act for the term that the industrial facilities exemption certificate is in effect, whichever is less, as specified by statute. (The fee covers, in part, costs of processing the application, including legal costs, publication expenses, document retention and associated costs.)

Your interest in the City of Portage is appreciated. If you have any questions, or need assistance, you may contact me (329-4477), James Bush, City Assessor (329-4433), or James Hudson, City Clerk (329-4511).

Sincerely,

Vicki Georgeau

Vicki Georgeau, AICP
Director

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PORTAGE
A Natural Place to Move

CITY OF PORTAGE INDUSTRIAL TAX ABATEMENT INCENTIVE POLICY

The City of Portage encourages the growth and development of the local industry and business tax base, the creation of additional job opportunities for community residents and desires to continue to provide incentives for industry and business expansion. The City Council also recognizes the essential responsibility to the community to maintain the array of public services necessary to ensure the high quality of life that exists in Portage. To facilitate tax base expansion and to fulfill these responsibilities, the City Council hereby establishes this City of Portage Industrial Tax Abatement Incentive Policy.

The City of Portage is *A Natural Place to Move.* To continue to be a community in which growth and development can prosper, the following attributes important to all industries and businesses will be maintained:

- **Low Tax Rate**. The maintenance of the lowest feasible tax rate compared to other full-service cities is essential to economic development and will facilitate expansion and job creation: A very competitive City of Portage tax rate will be continued.
- **Utility Service Rates**. The maintenance of competitive utility rates is also important to provide opportunities for continued growth and development: Cost effective rates and the efficient delivery of utility services by the City of Portage will be continued.
- **Capital Improvements**. Investments in existing public street, water, and sewer infrastructure and the expansion of these public systems are necessary and will encourage additional private sector investment: The annual 10-year Capital Improvement Program budget will continue to reflect essential public improvements within the community.
- **Quality of Life Investments**. To provide opportunities for industry and business expansion and to ensure high quality of life standards, public safety, business and neighborhood services, cultural and recreational programming and related community attributes must be maintained: Quality of life investments will be continued by the City of Portage to foster a safe, *Living, Working and Learning* community.

In addition to these important locally-determined economic development and growth factors, the City Council will offer eligible industries and businesses the opportunity to apply for property tax abatements under Michigan Statute in order to induce further private sector investment in the community.

Inquiries concerning this policy can be directed to the Office of the City Clerk (269.329.4511), Office of the City Assessor (269.329.4431) or the Department of Community Development (269.329.4477), in Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan 49002.

DATE OF ADOPTION BY CITY COUNCIL: March 10, 2015

PA 198 Plant Rehabilitation and Industrial Development District Policy Review Criteria

The City Council will consider economic inducements in the context of tax abatement applications received under Michigan statute based on the following general policy criteria and more specific tax abatement provisions. These standards will be equally applied during the review of abatement applications from eligible local and out-of-town industries and businesses.

- *The project will promote diversification of the City of Portage economy and tax base;*
- *The project will promote revitalization of aging and/or obsolete buildings and facilities;*
- *The project for which the tax abatement is requested will provide a diverse employment base for the workforce;*
- *The development or redevelopment of a proposed industrial facility or the revitalization of an existing business facility will be consistent with community land use objectives and environmental objectives.*
- *The expanded or new industrial facility or the revitalized commercial facility can be accommodated by present and/or future requirements for city services including roads, public utilities and public safety;*
- *The applicant meets current financial obligations to the city and is in compliance with all applicable statutes and city ordinances;*
- *The applicant has no pending or current litigation against the city (including appeals to the Michigan Tax Tribunal);*
- *A public purpose would be served (i.e. to expand the tax base, promote income growth and capital investment in the community, to develop/expand technology, advance manufacturing, life science and other targeted business with an anticipated future growth, create new/retain existing jobs, as well as any applicable multiplier effects of additional employment associated with a projects);*
- *City Council finds that the project impacts including benefits, costs and environmental impacts of the proposed industrial facility will benefit the community and will not result in the impairment of the operation, or the financial soundness, of any taxing jurisdiction.*

The above-mentioned criteria are not intended to be exhaustive and the Portage City Council reserves the right to consider such additional criteria, which are intended under these goals and objectives that promote the general health, safety, and welfare principles of the City of Portage. Periodic review of this policy will be necessary to ensure consistency with the community objectives and needs.

Industrial Tax Abatement Application Information

The following sections reference the framework for processing and considering industrial tax abatement applications as provided under Public Act 198 of 1974, Plant Rehabilitation and Industrial Development Districts Act, as amended. This policy, these procedures and related provisions will assist the industrial community in the continuing effort to contribute to the health and vibrancy of the City of Portage. The following sections address --

1. Process for Consideration of an Industrial Development or Plant Rehabilitation District Application
2. Process for Consideration of an Industrial Facilities Exemption Certificate Application
3. Industrial Tax Abatement Incentive Provisions
4. Industrial Project Reporting/Monitoring
5. Transfer of an Industrial Facilities Exemption Certificate and Certificate Revocation
6. Final Project Cost Differences
7. Time Extensions for Facility Completion
8. Dissolving an Industrial Development or a Plant Rehabilitation District

1. Process for Consideration of an Industrial Development District or Plant Rehabilitation District Application

Applicants requesting establishment of an industrial development district or plant rehabilitation district must file with the City Clerk a --

- Letter of request and four copies of the current Michigan Department of Treasury Form 1012 (attached).
- Legal description, site plan and survey of the proposed district (on 8-1/2 inch by 11 inch paper), which will conform to the outer perimeter of the building foundation and site improvements necessary for the operation of the facility (including access drives, off-street parking and loading areas, water, sanitary sewer and storm water facilities).
- For personal property, a complete listing of personal property investments is to be provided.
- If applicable, provide a copy of the real property/facility and or personal property/equipment lease(s). The term of any lease must be at least as long as the tax abatement period requested.
- Annual salary of the job(s) expected to be created and retained within two years of project completion.
- Notarized statement that the company is in compliance with applicable environmental requirements and whether or not the company is under enforcement action by the Michigan DEQ or US EPA.
- The filing fee is $1,800, or two percent of the total property taxes abated under the act for the term that the industrial facilities exemption certificate is in effect, whichever is less, as specified by statute. (The fee covers, in part, costs of processing the application, including legal costs, publication expenses, document retention and associated costs.)

Consistent with statutory provisions, applications for the establishment of an industrial development or plant rehabilitation district shall be filed and can only be approved prior to the commencement of construction, alteration, or installation of, or of an acquisition related to, the proposed replacement facility or new facility. Also, all additional statutory requirements of PA198 of 1974, as amended, applicable to establishment of an industrial development or plant rehabilitation district must be fulfilled.

A public hearing will be scheduled by City Council to consider the application. The applicant will be notified of the date of the hearing and proper legal notices will be prepared, mailed and published by the City Clerk. The applicant must attend the public hearing for the establishment of the district.

Final approval on the establishment of the district will be decided by City Council. The application will be reviewed by the Portage City Administration and a report will be prepared for City Council.

The report will specifically review the impacts of the proposed project on the community, which will include a --

- Project impact analysis, which will examine benefits and costs of the proposed facility;
- Preliminary environmental assessment, which will examine the availability of utilities, relevant environmental conditions, land and water resources that may be affected including impacts on adjacent properties; and
- Property tax analysis, which will estimate taxes received by affected taxing units with and without the abatement and the total abatement valuation percentage approved in the city.

2. Process for Consideration of an Industrial Facilities Exemption Certificate Application

For applicants that have filed an application to create a new district, and the establishment of the new district is approved, the application will immediately proceed to consideration of the industrial facilities exemption certificate, or within not more than 90 days after establishment of a new district.

For applicants wishing to file an application for an additional industrial facilities exemption certificate within an existing district, the applicant must file a –

- Letter of request and four copies of the applicable Michigan Department of Treasury Form 1012 (attached) to the Office of the City Clerk.
- Legal description, site plan and survey of the proposed district (on 8-1/2 inch by 11 inch paper), which will conform to the outer perimeter of the building foundation and site improvements necessary for the operation of the facility (including access drives, off-street parking and loading areas, water, sanitary sewer and storm water facilities).
- For personal property, a complete listing of personal property investments is to be provided.
- If applicable, provide a copy of the real property/facility and or personal property/equipment lease(s). The term of any lease must be at least as long as the tax abatement period requested.
- Annual salary of the job(s) expected to be created and retained within two years of project completion.
- Notarized statement that the company is in compliance with applicable environmental requirements and whether or not the company is under enforcement action by the Michigan DEQ or US EPA.
- Copy of the Portage resolution establishing the industrial development or plant rehabilitation district.
- The filing fee is $1,800, or two percent of the total property taxes abated under the act for the term that the industrial facilities exemption certificate is in effect, whichever is less, as specified by statute. (The fee covers, in part, costs of processing the application, including legal costs, publication expenses, document retention and associated costs.)

Consistent with statutory provisions, applications for the consideration of an industrial facilities exemption certificate shall be filed within six months after the commencement of the restoration, replacement, or construction of the facility. Also, all additional statutory requirements of PA198 of 1974, as amended, applicable to the approval and granting of an industrial facilities exemption certificate must be fulfilled.

Prior to consideration of a certificate application by City Council, the statute requires the applicant to enter into a written tax abatement agreement with the City of Portage that includes conditions to be fulfilled during the period of the tax abatement. The applicant is also required to sign an affidavit with regard to fees concerning any payments made to the city. The agreement and affidavit will be provided by the city.

A public hearing will be scheduled by City Council to consider the application. The applicant will be notified of the date of the hearing and proper legal notices will be prepared, mailed and published by the City Clerk. The applicant must attend the public hearing for the industrial facilities exemption certificate.

Final approval of the certificate will be decided by City Council not more than 60 days after receipt of the application by the City Clerk. For applicants filing an application for a certificate within an existing district, the application will be reviewed by the Portage City Administration and a report prepared for City Council. The report will specifically review the impacts of the proposed project on the community, which will include a --

- Project impact analysis, which will examine benefits and costs of the proposed facility;
- Preliminary environmental assessment, which will examine the availability of utilities, relevant environmental conditions or land and water resources that may be affected including impacts on adjacent properties; and
- Property tax analysis, which will estimate taxes received by affected taxing units with and without the abatement and the total abatement valuation percentage approved in the city.

To expedite the review process noted in steps 1 and 2 above, the public hearing to review and consider the creation of a new or expanded district; and the public hearing to review and consider an application for an exemption certificate may be scheduled at the same City Council meeting.

3. Industrial Tax Abatement Incentive Provisions

The following incentives are considered inducements to encourage eligible industrial investment in the community.

1. An industrial development district or plant rehabilitation district may be established and an industrial facilities exemption certificate may be recommended for approval only when the new or replacement facility is located --

    a. within the general industrial areas identified in the Portage Comprehensive Plan, Future Land Use Plan map; and
    b. where municipal water and sewer utility services are available, or the utilities will be extended to the proposed industrial facility, and the proposed industrial facility will be, upon completion, connected to municipal services.

2. The term of an Industrial Facility Exemption Certificate for a project involving real property improvements within new or replacement facilities will be **up to six years**, except as may be increased by City Council consistent with the following numbers 4 and 5 below.

3. The term of an Industrial Facility Exemption Certificate for a project involving personal property improvements within new or replacement facilities will be **up to three years,** except as may be increased by City Council consistent with the following numbers 4 and 5 below.

4. City Council may grant one additional **up to three year time period** to an applicant that proposes:

    - To locate in an underutilized industrial facility that has been vacant for more than one year. (This additional period of time is not applicable to an existing industry that relocates from an existing industrial facility in Portage to the underutilized facility, except that an expansion into an underutilized facility may qualify for the additional three year period.); or
    - To complete an investment in real and/or personal property that exceeds $10 million; or
    - To create 50 or more new jobs with the *median annual salary* above 80% of the Kalamazoo County Area Median Income for a one-person household; or
    - To create a minimum of 25 new jobs, *all* of which have an annual salary above 80% of the Kalamazoo County Area Median Income for a one-person household.

5. City Council may grant one additional, **up to six year time period,** to an applicant that proposes:

   - To complete an investment in real and/or personal property that exceeds $20 million; or
   - To create 100 or more new jobs with the *median annual salary* above 80% of the Kalamazoo County Area Median Income for a one-person household; or
   - To create a minimum of 50 new jobs, *all* of which have an annual salary above 80% of the Kalamazoo County Area Median Income for a one-person household.

6. There will be no tax abatement incentives provided for office equipment. The City Assessor will determine which equipment will be considered office equipment.

7. Industrial Development Districts will not be established for speculative buildings.

8. Consistent with statutory provisions that allow additional abatement periods, but limits the total abatement periods to 12 years, the owner, or lessee of the new or replacement facility may, within the final year in which the certificate is effective, apply for one additional certificate, the time period of which will not exceed three additional years. In considering the request, the City Council may approve the additional period if the applicant has fulfilled all of the terms of the original tax abatement agreement and exceeds either of --

   a. The number of new jobs promised or the number of jobs retained, or
   b. The estimated project cost (investment) as indicated in the initial industrial facilities exemption certificate application, and
      The additional abatement period does not impair the operation, or the financial soundness, of any local taxing jurisdiction.

4. Industrial Project Reporting/Monitoring

Consistent with the terms of the tax abatement agreement, an industrial facilities exemption certificate holder must submit an annual project performance report to the City Clerk on or before July 1 of each year for the term of the agreement. The City Assessor will prepare a summary of all active tax abatement certificates for information, follow-up and monitoring.

City Council will receive the official report from each certificate holder that sets forth the progress in attaining and maintaining the requirements of the tax abatement agreement and the provisions of the certificate application.

In the event that the annual project performance report is not received by the City Clerk and/or the City Council finds that the certificate holder is not in compliance with the commitments made in the tax abatement agreement, City Council may take action to request revocation of the certificate from the State Tax Commission in a manner consistent with PA198 of 1974, as amended.

All annual reports from certificate holders will be available for public inspection at the Office of the City Clerk. A Master List of all current tax abatement holders and a map of existing Industrial Development District will also be available via the City of Portage website at www.portagemi.gov.

Consistent with statutory provisions, if the taxes applicable to real property are not timely paid, and after notice and service upon the owner of a certificate of nonpayment, the industrial facilities exemption certificate will be automatically terminated as provided in PA198 of 1974, as amended.

5. Transfer of an Industrial Facilities Exemption Certificate and Certificate Revocation

The transfer of an existing industrial facilities exemption certificate by the holder of a certificate to a new owner or lessee requires the filing of an application for an industrial facilities certificate, payment of the established filing fee, public hearing, approval by City Council and approval by the State Tax Commission. The application will be processed in the same manner as an industrial facilities exemption certificate application as provided in PA198 of 1974, as amended.

The revocation of an existing industrial facilities exemption certificate will be considered by the City Council and a resolution requesting that the State Tax Commission revoke the certificate if:

a. The proposed industrial facility has not been completed within two years after the effective date of the industrial facilities exemption certificate; or
b. The purpose for which the certificate was issued is not being fulfilled as a result of a failure of the certificate holder to proceed in good faith with the replacement, restoration, construction, or operation of the facility.

6. Final Project Cost Differences

Consistent with the Administrative Rules of the State Tax Commission, if the final project cost will be greater by more than 10 percent of the total estimated amount specified in the industrial facilities exemption certificate application as originally approved, the applicant must file a letter of request with the City Clerk requesting approval of the revised amount. The letter must indicate the original costs, the revised costs and provide an explanation. This procedure cannot be used to expand the scope of the project as originally approved. City Council will review the request and if a resolution is adopted that approves the revised costs, the certificate holder can request that the State Tax Commission issue a revised certificate.

7. Time Extensions for Facility Completion

Consistent with the Administrative Rules of the State Tax Commission, if the certificate holder finds that the project will not be finished by the time originally indicated on the approved application, the applicant must file a letter of request with the City Clerk requesting approval of the extension. The letter must state the original completion date, the revised completion date and provide an explanation. City Council may approve, disapprove, or may approve a revised certificate ending date. It is the City Council policy to approve a time extension with no change in the ending date to the original certificate, unless there are extenuating circumstances presented by the applicant that are acceptable. City Council will review the request and if a resolution is adopted that approves the time extension request, the certificate holder can request that the State Tax Commission grant an extension.

8. Dissolving an Industrial Development District or Plant Rehabilitation District

City Council may, upon its own initiative, abolish a district if the Industrial Facilities Exemption Certificate application is not filed within two years of the date that City Council established the district, or if the applicable certificate is no longer in effect, or if the applicable certificate has been revoked by the State Tax Commission. Prior to dissolution of the district, a public hearing will be held by City Council. The City Clerk will provide written notice of the public hearing, by certified mail, to the owner of record of the property within the district, to the applicant who originally submitted the industrial development district or plant rehabilitation district application and to the affected taxing jurisdictions. If City Council adopts a resolution that dissolves the district, the City Clerk will forward the resolution to the State Tax Commission.

Attachment: Michigan Department of Treasury form 1012

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▶ Date Received by Local Unit
STC Use Only	
▶ Application Number	▶ Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility)	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code)	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location)	▶ 1d. City/Township/Village (indicate which)	▶ 1e. County
▶ 2. Type of Approval Requested ☐ New (Sec. 2(5)) ☐ Transfer ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(6)) ☐ Research and Development (Sec. 2(10)) ☐ Increase/Amendment	▶ 3a. School District where facility is located	▶ 3b. School Code
	4. Amount of years requested for exemption (1-12 Years)	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

6a. Cost of land and building improvements (excluding cost of land) ..... ▶ _____ Real Property Costs
* Attach list of improvements and associated costs.
* Also attach a copy of building permit if project has already begun.

6b. Cost of machinery, equipment, furniture and fixtures ..... ▶ _____ Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total

6c. Total Project Costs ..... ▶ _____ Total of Real & Personal Costs
* Round Costs to Nearest Dollar

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶	_____	_____ ▶	☐ Owned ☐ Leased
Personal Property Improvements ▶	_____	_____ ▶	☐ Owned ☐ Leased

▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. ☐ Yes ☐ No

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project.	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion.

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) ..... _____
b. TV of Personal Property (excluding inventory) ..... _____
c. Total TV ..... _____

▶ 12a. Check the type of District the facility is located in:
☐ Industrial Development District ☐ Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit)	▶ 12c. Is this application for a speculative building (Sec. 3(8))? ☐ Yes ☐ No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name	13b. Telephone Number	13c. Fax Number	13d. E-mail Address
14a. Name of Contact Person	14b. Telephone Number	14c. Fax Number	14d. E-mail Address
▶ 15a. Name of Company Officer (No Authorized Agents)			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
▶ 15e. Mailing Address (Street, City, State, ZIP Code)		15f. Telephone Number	15g. E-mail Address

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit

☐ Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12)

After Completion ☐ Yes ☐ No

☐ Denied (Include Resolution Denying)

16a. Documents Required to be on file with the Local Unit

Check or Indicate N/A if Not Applicable

- ☐ 1. Notice to the public prior to hearing establishing a district.
- ☐ 2. Notice to taxing authorities of opportunity for a hearing.
- ☐ 3. List of taxing authorities notified for district and application action.
- ☐ 4. Lease Agreement showing applicants tax liability.

16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:

Check or Indicate N/A if Not Applicable

- ☐ 1. Original Application plus attachments, and one complete copy
- ☐ 2. Resolution establishing district
- ☐ 3. Resolution approving/denying application.
- ☐ 4. Letter of Agreement (Signed by local unit and applicant)
- ☐ 5. Affidavit of Fees (Signed by local unit and applicant)
- ☐ 6. Building Permit for real improvements if project has already begun
- ☐ 7. Equipment List with dates of beginning of installation
- ☐ 8. Form 3222 (if applicable)
- ☐ 9. Speculative building resolution and affidavits (if applicable)

16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

Instruction for Completing Form 1012, *Industrial Facilities Tax Exemption (IFT) Application*

The completed original application form 1012 and all required attachments, **MUST** be filed with the clerk of the local unit of government where the facility is or will be located. Complete applications must be received by the State Tax Commission by October 31 to ensure processing and certification for the following tax year. Applications received after the October 31 deadline will be processed as expeditiously as possible.

Please note that attachments listed on the application in number 16a are to be retained by the local unit of government, and attachments listed in number 16b are to be included with the application when forwarding to the State Tax Commission (STC).

(Before commencement of a project the local unit of government must establish a district, or the applicant must request in writing a district be established, in order to qualify for an IFT abatement. Applications and attachments must be received by the local unit of government **within six months of commencement of project.)**

The following information is required on separate documents attached to form 1012 by the applicant and provided to the local unit of government (city, township or village). (Providing an accurate school district where the facility is located is vital.):

1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
2. Personal Property Requirements: Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, **beginning date of installation** or expected installation by **month/day/year**, and costs or expected costs (see sample). Detail listing of machinery and equipment **must match amount shown** on question 6b of the application. Personal property applications must have attached a certified statement/affidavit as proof of the beginning date of installation (see sample).
3. Real Property Requirements: Proof of date the construction started (groundbreaking). Applicant must include one of the following if the project has already begun; building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact date of commencement.
4. Complete copy of lease agreement as executed, if applicable, verifying lessee (applicant) has direct ad valorem real and/or personal property tax liability. The applicant must have real and/or personal property tax liability to qualify for an IFT abatement on leased property. If applying for a real property tax exemption on leased property, the lease must run the full length of time the abatement is granted by the local unit of government. Tax liability for leased property should be determined before sending to the STC.

The following information is required of the local unit of government: [Please note that only items 2, 4, 5, 6, & 7 below are forwarded to the State Tax Commission with the application, along with items 2 & 3 from above. The original is required by the STC. The remaining items are to be retained at the local unit of government for future reference. **(The local unit must verify that the school district listed on all IFT applications is correct.)**]

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. **Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample). If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.**
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. **Certified copy of the resolution approving the application. The resolution must include the number of years the local unit is granting the abatement and the statement "the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).**

5. **Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample).**
6. **Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998). This statement may be incorporated into the Letter of Agreement (see sample).**
7. **Treasury Form 3222 (if applicable - Fiscal Statement for Tax Abatement Request.**

The following information is required for rehabilitation applications in addition to the above requirements:

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.
2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

The following information is required for speculative building applications in addition to the above requirements:

1. A certified copy of the resolution to establish a speculative building.
2. A statement of non-occupancy from the owner and the assessor. Please refer to the following Web site for P.A. 198 of 1974:

Please refer to the following Web site for P.A. 198 of 1974: **www.legislature.mi.gov/**. For more information and Frequently Asked Questions, visit our Web site at **www.michigan.gov/propertytaxexemptions**.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.