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BILL ANALYSIS

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Senate Bill 910 (as introduced 1-14-04)
Sponsor: Senator Michelle A. McManus
Committee: Finance

Date Completed: 5-21-04

CONTENT

The bill would amend the General Property Tax Act to provide that incorrectly reported or omitted property would include an assessment based on incorrect reporting instructions provided by the State Tax Commission or the local assessing jurisdiction.

Under the Act, if the State Tax Commission determines that property subject to the Act has been incorrectly reported or omitted for any previous year, not to exceed the current assessment year and the two years immediately preceding the date the incorrect assessment or omission was discovered and disclosed, the Commission must place the corrected assessment value for the appropriate years on the appropriate assessment roll.

MCL 211.154

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would likely have a minimal fiscal impact on the State and local units, but could affect property tax administration. It is unknown how many taxpayers would use the provision created by the bill to claim that taxes were incorrectly reported due to faulty instructions. The bill would not place any timeliness requirements upon such claims. It is unknown if the changes in the bill could result in more claims for changes in valuations or exemptions than under current provisions for contesting assessments. To the extent that the bill would not result in more claims, the bill would change only the timing of some fiscal impacts; while if claims increased, the bill would reduce State and local revenue by an unknown amount.

This analysis is preliminary and will be revised as new information becomes available.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.