

**Personal Property Tax Reduction Proposal (04/17/2012)**  
(millions)

Personal Property Tax Reduction Proposal:

1. New Eligible Manufacturing PP Exemption: Beginning in 2016, new eligible manufacturing PP would be exempt, including eligible manufacturing PP new in 2012-2015
2. Exemption for Remaining Eligible Manufacturing PP: 2005 & earlier vintage exempt in CY 2016 & each year add 1 year vintage until all exempt in CY 2022.
3. PP Exemption: Beginning in 2013, full exemption for owners of industrial and commercial PP with total TV less than \$40,000 in a given tax collecting unit.
4. Eligible manufacturing personal property; personal property used more than 50% of the time in industrial processing or in direct integrated support.
5. Reimbursement would equal: 1) 100% of PPT debt loss and TIF capture loss, and 2) remaining PPT cut in excess of 2% of general fund revenue.

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>Total</u>
<b>Total Savings from Credits:</b>	\$11.3	\$24.6	\$14.6	\$15.4	\$136.8	\$271.5	\$285.7	\$294.2	\$307.3	\$312.4	\$342.5	\$379.6	\$398.8	\$417.0	\$431.0	\$445.0	\$452.0	\$499.0	\$538.0	\$5,576.7
<b>Reimbursement Equals 100% of Debt &amp; TIF PPT Cut &amp; Remaining PPT Cut in Excess of 2% of GF Revenue:</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$57.2	\$209.0	\$226.7	\$244.6	\$264.0	\$276.4	\$292.1	\$297.4	\$295.9	\$294.4	\$292.6	\$290.4	\$288.0	\$285.4	\$282.8	\$3,896.8
<b>Credit Savings Remaining After Reimbursement:</b>	\$11.3	\$24.6	\$14.6	\$15.4	\$79.6	\$62.5	\$59.0	\$49.6	\$43.3	\$36.0	\$50.4	\$82.2	\$102.9	\$122.6	\$138.4	\$154.6	\$164.0	\$213.6	\$255.2	\$1,679.9

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury

Filename: S:\orta\Taxes\PERSONAL\PPPT Proposal 04.17.12.xls]New Sum 2 w 2% Reimb Threshold

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