

Property Tax Abatements



[INDUSTRIAL FACILITIES TAX EXEMPTION \(PA 198\)](#)

The Plant Rehabilitation and Industrial Development Districts Act, commonly known as Act 198, provides significant tax incentives to industry (manufacturing and high technology companies) for the purpose of creating new jobs and maintaining existing jobs. This program allows an obsolete plant, when replaced or restored, to have its assessed value frozen at the level prior to the improvement for a maximum period of twelve years; and new plants, as well as plant improvements, to receive a fifty (50) percent exemption from property tax on the taxable value of new real estate and personal properties, also for a maximum period of twelve years. It is the responsibility of the City Council to establish plant rehabilitation districts and industrial development districts, and to approve the granting of exemption certificates.

[PERSONAL PROPERTY TAX ABATEMENT \(PA 328\)](#)

Michigan Public Act 328 allows certain communities, of which Holland is officially designated, to abate all new personal property taxes in certain geographic areas in order to stimulate economic development. Abatements include all millage, state and local. The act allows all new personal properties installed by an eligible business after local approval to be 100% exempt from personal property taxes for a specified period determined by the City. After receiving a resolution from the Holland City Council, the Michigan State Tax Commission takes final action on this request for abatement. The City has criteria that must be met in order to qualify for this abatement.

[BROWNFIELD REDEVELOPMENT](#)

These incentives are available to sites having environment contamination above State thresholds or buildings that are determined to be functionally obsolete.

- **A. Single Business Tax (SBT) Credit.**

By inclusion within the City's Brownfield Plan, a project becomes eligible for a Single Business Tax Credit; that is, a

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financial credit against the single business tax that a business may pay. This can be a significant financial incentive for developers and investors of eligible property. Upon application submitted to the State, this Act provides such taxpayers a credit against their SBT liability of up to ten (10) percent of eligible investment costs that the taxpayer has incurred to redevelop or expand the eligible property, with a \$30 million limit on the total credits that any taxpayer can claim. One SBT credit is allowed per project and will be issued at the completion of the project.

- **B. Tax Increment Financing (TIF).**

The City will consider the use of Tax Increment Financing to capture increases in property tax revenues on eligible property to pay or assist in paying costs of eligible activities through a reimbursement plan agreed to for each project.

The Brownfield Authority TIF may capture available property tax revenues from “non-school” taxing jurisdictions and, with State (MDEQ/MEDC) approval of a project work plan, “school” taxing jurisdictions. The TIF is used to reimburse the costs of eligible project activities that are included within the approved Brownfield Plan.

NEIGHBORHOOD ENTERPRISE ZONE

The State of Michigan enables certain communities to establish a Neighborhood Enterprise Zone (NEZ) or Zones to spur the development and rehabilitation of residential housing. Within a Zone, properties with NEZ Certificates approved by City Council will essentially have the property taxes frozen for between 6 and 12 years. Certificates for qualified historic buildings can have property taxes frozen for 11 to 17 years. The City will consider a NEZ in order to promote neighborhood revitalization and to encourage owner-occupied housing and new investment.

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