

May 9, 2008

PROPERTY TAX SAVINGS OPPORTUNITIES STILL OPEN FOR 2008

June 2, 2008 Filing Deadline for Commercial and Industrial Real Property and Personal Property.

Michigan property tax assessment appeals on commercial and industrial real property may still be filed with the Tax Tribunal for the 2008 tax year (12/31/07 assessment date). Such appeals may be filed on or before June 2, 2008, even if no appeal was made to the Board of Review ("BOR"). The June 2 deadline also applies to personal property appeals.

Agricultural Exemption Often Overlooked – Still Open for 2007 and 2008!

Land qualifies for an exemption from Michigan school operating taxes if more than 50 percent of the acreage is devoted to an agricultural use. The statutory definition of "agricultural use" is very broad. Recently, the State has directed assessors to remove this exemption from the tax rolls on an annual basis, requiring the taxpayer to file each year to retain or obtain the agricultural exemption. Appeals can still be filed for 2007 and 2008. There are also planning opportunities available for land that is partially devoted to agricultural use but does not currently meet the 50 percent acreage threshold.

Verify Your Personal Property Classification AND Board of Review Notice.

As we reported earlier, recent Michigan legislation provides for tax savings for commercial personal property and for even greater tax savings for industrial personal property. As a result, classification of property for property tax purposes is now an important issue. Classification appeals for 2008 were required to begin at the March BOR and then proceed, if necessary, to the State Tax Commission ("STC").

On their own initiative, some BORs changed the classification of industrial personal property. If your property's classification was changed by the BOR, then you have the right to appeal the changed classification to the STC, even if you did not file an appeal with the BOR. Therefore, you should confirm with the local taxing unit that your commercial or industrial personal property classification was not changed by the BOR to a class that

would result in greater tax liability. Classification appeals to the STC must be made on or before June 30.

For questions regarding property tax issues, please contact:

- Scott Aston at 313.465.7206 or SAston@honigman.com.
- Mark A. Burstein at 313.465.7322 or MBurstein@honigman.com.
- Jason S. Conti at 313.465.7340 or JConti@honigman.com.
- Aaron M. Fales at 313.465.7210 or AFales@honigman.com.
- Tim J. Gies at 313.465.7200 or TGies@honigman.com.
- Mark A. Hilpert at 517.377.0727 or MHilpert@honigman.com.
- Jeffrey A. Hyman at 313.465.7422 or JHyman@honigman.com.
- Len D. Kutschman at 313.465.7202 or LKutschman@honigman.com.
- Stewart L. Mandell at 313.465.7420 or SMandell@honigman.com.
- Steven P. Schneider at 313.465.7544 or SSchneider@honigman.com.
- Michael B. Shapiro at 313.465.7622 or MShapiro@honigman.com.
- Daniel L. Stanley at 517.377.0714 or DStanley@honigman.com.

For questions regarding SALT issues, please contact:

- Lynn A. Gandhi at 313.465.7646 or LGandhi@honigman.com.
- June Summers Haas at 517.377.0734 or JHaas@hongiman.com.
- Patrick R. Van Tiflin at 517.377.0702 or PVanTiflin@honigman.com.
- Shawn G. Jappaya at 313.465.7424 or SJappaya@honigman.com.

This alert provides general information only and does not constitute legal advice for any particular situation. © Honigman Miller Schwartz and Cohn LLP 2008. All rights reserved.