

CLIENT ALERTS

There's Still Time to Review Michigan Property Tax Assessments; Extended Deadlines for Property Tax Appeals Due to Executive Order

5.19.2020

Michigan property owners should have received their real property tax Notice of Assessment earlier this year. Property owners may find that they are being assessed using inflated taxable values, especially if they have not recently appealed their property tax assessments. The general rule is that property in Michigan is assessed at 50 percent of the True Cash Value (i.e., Fair Market Value). If your assessment is higher, then there may be an opportunity to reduce the assessed value through a tax appeal. This can lead to significant tax savings.

The deadline to file a tax appeal with the Michigan Tax Tribunal has been extended to July 31, 2020, for industrial real property, commercial real property, developmental real property, commercial personal property, industrial personal property, and utility personal property, pursuant to Executive Order 2020-87, issued on May 14, 2020 (the "Executive Order")^[1]. The deadline for residential or agricultural real property remains July 31, 2020, provided the residential assessment was appealed at the locality's March Board of Review. The Executive Order further allows tax appeals that would normally be heard at a locality's March Board of Review to be heard at the locality's July Board of Review. Appeals of assessed values from the July Board of Review to the Michigan Tax Tribunal are due within 35 days after the final decision, ruling or determination. Classification appeals from the July Board of Review to the State Tax Commission are due by September 1, 2020.

To prepare for your property tax appeal, you should consider taking the following steps:

1. Every locality assesses property taxes differently. Review your locality's assessment process.
2. Hire a professional appraiser to assess the fair market value of your property to show that your property value is lower

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than the assessed value.

3. Gather information about recent sales in your area for properties that are comparable in size and value.

The property tax assessment for 2020 was determined as of December 31, 2019, and may be appealed as set forth above. Additionally, property owners should monitor the effect that the COVID-19 pandemic has had on its property value(s). There may be an opportunity in 2021 for property owners to challenge the assessed value based on a decrease in value as of the 2021 tax day (*i.e.*, 12/31/2020) related to this pandemic.

Butzel Long's tax appeal team represents clients that own industrial, commercial, and residential real property. Butzel Long also represents clients in appeals for personal property tax assessments, appeal of changes in the classification of real estate from industrial to commercial, and applications for (or denials of) property as exempt from tax. In addition to property tax, Butzel Long's tax team also represents clients in federal, state, or city tax appeals related to income, franchise, sales, or use tax assessments.

Please contact a Butzel Long attorney listed on this Client Alert for further information.

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[1] Executive Order 2020-87 applies retroactively to April 6, 2020.