

CLIENT ALERTS

Now is the time to review Michigan property tax assessments to avoid excessive property tax payments

1.11.2021

Michigan property owners will be receiving their real property tax Notice of Assessment within the next few weeks. Property owners may find that they are being assessed using inflated taxable values, especially in light of the pandemic and 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 on Industrial or Commercial real property is June 1, 2021. The deadline to file an appeal for Residential real property at the Tax Tribunal is August 2, 2021. Residential appeals must first be made to the local jurisdiction's Board of Review. The Boards of Review meet in March.

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 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 assessments for 2021 were determined as of December 31, 2020 and may be appealed as set forth above. Property owners should take into consideration the effect that the COVID-19 pandemic has had on their property value(s) when determining whether they would like to appeal their property tax

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assessments.

Furthermore, the general property tax act has been amended pursuant to Senate Bill No. 1203 (PA 352), for the 2021 tax year only, to include MCL 211.14a which provides that personal property which is located on December 31, 2020 in an alternate location due to the pandemic must be assessed in the jurisdiction the personal property would ordinarily be located for its primary use had it not been moved to the alternate location due to the 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.

Suzanne Miller

248.258.3866
millers@butzel.com

Paul Howarah

248.593.3015
howarah@butzel.com

Paul Mersino

313.225.7015
mersino@butzel.com