

Affidavit and Statement for Eligible Manufacturing Personal Property and Essential Services Assessment

Issued under the authority of the General Property Tax Act, Public Act 206 of 1893, and the Essential Services Assessment Act, Public Act 92 of 2014. Filing is mandatory.

DO NOT COMPLETE THIS AFFIDAVIT AND STATEMENT UNLESS THE PERSONAL PROPERTY MEETS THE DEFINITION OF ELIGIBLE MANUFACTURING PERSONAL PROPERTY (EMPP) (Personal property that does not meet the definition should be reported on Form 632, Personal Property Statement). Report only one personal property parcel on this affidavit/statement and enter the parcel number at the top of this page.

Beginning December 31, 2015 (for the 2016 assessment year), qualified new personal property and qualified previously existing personal property located on occupied real property is exempt from taxation. **To claim this exemption, a fully completed Form 5278 must be received by the Assessor of the local unit of government where the qualified personal property is located no later than February 20, 2016. Failure to complete any of the fields on Form 5278, will result in the claim being denied. Claiming this exemption when not entitled to it can result in significant penalties.**

Important Notes: This Affidavit and Statement is not to be completed by leasing companies. Definitions are provided in Part 4. Instructions are provided in Part 5.

PART 1: AFFIDAVIT To claim this exemption you must fully complete the Affidavit, including the required certification, and the Statement. Report only one personal property parcel on this affidavit/statement.

Personal Property Information Location

Name of Local Unit of Government where Personal Property is Located			
City	Township	Village	County
Street Address	City	State	ZIP Code

List all **real** property parcel numbers where the personal property reported on this form is located (attach list as necessary)

Taxpayer Information

Taxpayer Name		Primary Occupant Name	
Contact Person Name		E-mail Address	Telephone Number
Street Number	Street Name	City	State
FEIN Number		Indicate assumed names, if any, used by legal entity (attach list if necessary):	Date business began at location

Business Type. Indicate the nature of your business organization. Check only one.

- Sole Proprietorship
 Limited Liability Co. MI ID # _____
 Corporation MI ID # _____
 Partnership

Printed Name of Person in Charge of Records	Telephone Number	Address where records are retained
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CERTIFICATION

- I certify that I own, lease or otherwise occupy the real property on which the eligible manufacturing personal property is located, or I am the sole proprietor, partner, officer, managing member or the duly authorized agent of the owner, lessee or occupant (agent must attach letter of authority).
- I certify that the personal property for which an exemption is claimed pursuant to this Affidavit and Statement is Eligible Manufacturing Personal Property as defined by MCL 211.9m and the personal property for which an exemption is being claimed meets the more than 50% requirement of being predominately used in industrial processing or direct integrated support and therefore qualifies or will qualify for exemption under MCL 211.9m or MCL 211.9n.
- I certify my understanding that according to Public Act 92 of 2014 I am required to provide access to the books and records, for audit purposes, relating to the location and description; the date of purchase, lease, or acquisition; and the purchase price, lease amount, or value of all personal property owned by, leased by, or in the possession of that person or a related entity if requested by the assessor of the township or city, county equalization department, or department of treasury for the year in which the statement is filed and the immediately preceding 3 years.
- I hereby certify that all the information contained within, and attached to this Affidavit and Statement is true and accurate to the best of my knowledge, information and belief.

Signature	Printed Name	Date
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Indicate the appropriate title of the person certifying this Affidavit and Statement:

- Sole Proprietor
 Partner
 Officer
 Managing Member
 Agent (attach letter of authority)

PART 2: Ad Valorem Personal Property Statement for Eligible Manufacturing Personal Property, Renaissance Zone Personal Property and Industrial Facility Personal Property

Summary and Reporting Instructions: Provide a yes or no answer to all questions and provide the additional information as necessary.

- 1. Have you excluded from this statement any exempt "Special Tools" and/or Air/Water Pollution Control Facilities and/or Wind/Water Energy Conversion Devices? Yes No If yes, enter Total Original Cost
- 2. Have you reported all of your assessable tangible personal property and EMPP located in Michigan to the appropriate assessment jurisdiction, including all fully depreciated or expensed assets?..... Yes No If no, attach explanation.
- 3. Did you hold a legal or equitable interest in assessable personal property which you have not reported on this Form 5278 (see instructions) and/or have any of your assets been subjected to "rebooking" of costs for accounting purposes or been purchased used? Yes No If yes, attach explanation.
- 4. Are you a party (as landlord or tenant) to a real property rental or lease agreement in this jurisdiction? Yes No If yes, complete Section O.
- 5. Is any of your property "daily rental property" per PA 537 of 1998? Yes No If yes, complete Form 3595.
- 6. Are other businesses operated at your location(s)? Yes No If yes, attach itemized list.

Report of Eligible Manufacturing Ad Valorem Personal Property and P.A. 198 (IFT) Property:

Indicate Type: Ad Valorem IFT

The taxpayer must annually report all personal property that is Eligible Manufacturing Personal Property, which is still subject to Ad Valorem assessment, within Part 2 of this Statement until the personal property becomes exempt. All such Personal Property in your possession at the location stated in Part 1, including fully depreciated and expensed assets, must be reported on this Statement. If you had "Move-Ins" of used property, you must also complete Form 3966, Taxpayer Report of Personal Property "Move-Ins" of Used Equipment. Please refer to Form 3966 for additional instructions. **Renaissance Zone and extended IFT property must also be reported in Part 3.**

Section A: Furniture and Fixtures

Year in Service		Assessor Calculations
2012	.61	
2011	.53	
2010	.47	
2009	.42	
2008	.37	
2007	.33	
2006	.29	
TOTAL	A1	A2

Section D: Office, Electronic Video and Testing Equipment

Year in Service		Assessor Calculations
2012	.49	
2011	.44	
2010	.41	
2009	.38	
2008	.35	
2007	.33	
2006	.31	
TOTAL	D1	D1

Section F: Computer Equipment

Year in Service		Assessor Calculations
2012	.24	
2011	.19	
2010	.15	
2009	.08	
2008	.08	
2007	.08	
2006	.08	
TOTAL	F1	F2

Section B: Machinery and Equipment

Year in Service		Assessor Calculations
2012	.60	
2011	.54	
2010	.49	
2009	.45	
2008	.42	
2007	.38	
2006	.36	
TOTAL	B1	B2

Section E: Consumer Coin Operated Equipment

Year in Service		Assessor Calculations
2012	.69	
2011	.61	
2010	.54	
2009	.46	
2008	.38	
2007	.30	
2006	.23	
TOTAL	E1	E2

Section G: Other Owned Assessable Personal Property (attach separate description)

Year in Service		Assessor Calculations
2012		
2011		
2010		
2009		
2008		
2007		
2006		
TOTAL	G1	G2

Section I: Qualified Personal Property of a Qualified Business per MCL 211.8a(6)9c)				
Year in Service	Taxpayer Original Costs New		Assessor Calculations	Qualified Business Name
2012				
2011				
2010				
2009				
2008				
2007				
2006				
TOTAL	I1		I2	
Section J & K: Leased and Other Personal Property in Your Possession Which is Not Qualified Personal Property				
Name and Address of Owner	Description of Equipment	Age (estimate if necessary)	Selling Price New (estimate if necessary)	
			Total	J&K1
Section M: Leasehold Improvements				
All Leasehold improvements made at your place of business should be reported under this Section, even if you believe that the improvements are not subject to assessment as personal property. Attach additional explanations or copies of fixed asset records. Any personal property reported in this Section should not be reported elsewhere on this Statement.				
Year in Service	Detailed Description	Original Costs	STC Multiplier	True Cash Value Assessor's Calculations
			Total Cost Incurred	M1
Section N: All Freestanding Signs and Billboards				
Address or Location of Sign or Billboard	Year Originally Built	Total Capitalized Cost	True Cash Value Assessor's Calculations	
		Total	N1	N2
Section O: Rental Information (To be completed by the Landlord or Tenant)				
1. Address of property rented or leased		2a. Date that current lease or rental arrangement began		
2b. Is this a renewal? <input type="checkbox"/> Yes <input type="checkbox"/> No	3. Date current lease will expire, if other than a month to month tenancy.		4. Monthly Rental	
5. Are there options to renew the lease? <input type="checkbox"/> Yes <input type="checkbox"/> No	6. List cost of expenses (taxes, electric, gas, etc.) paid by tenant.		7. Square feet of space occupied by tenant.	
		Assessor Calculated Value (O1)		
Grand Total Costs of Eligible Manufacturing Ad Valorem Property Tax. Enter zero costs if appropriate.				
Description of Totals	Taxpayer Totals		Assessor Calculations	
1.Total cost from Sections A through O				
2.Total cost of Personal Property Construction in Progress (excluding CIP as defined in MCL 211.9(m)(8)(c))				
3.Total cost of Cable TV, Utility and Wind Energy Assets from Forms 633, 3589 & 4565				
4.Total cost of Idle or Obsolete or Surplus Equipment and Cellular Site Equipment from Forms 2698 and 4452				
5.Total cost of Automotive Manufacturing Equipment from Form 4798				
GRAND TOTALS				
		ASSESSOR'S ADJUSTMENT(S)		
		TRUE CASH VALUE		
		ASSESSED VALUE (50% OF TCV)		

PART 3: Essential Services Assessment Statement (ESA)

Beginning December 31, 2015 (for the 2016 assessment year), qualified new personal property and qualified previously existing personal property located on occupied real property is exempt from ad valorem taxation and is instead subject to the State Essential Services Assessment. Additionally, certain P.A. 198 (IFT) Property and New Personal Property (P.A. 328) as determined below are subject to the State Essential Services Assessment.

Summary and Reporting Instructions for Essential Services Assessment

Provide a yes or no answer to all questions. If a yes answer is provided, the Total Acquisition Costs for that eligible personal property must be reported in either Section 1 or 2 as indicated by the instructions. **However, the cost of an item of eligible personal property is not to be reported in both Sections 1 and 2.**

1. Is the personal property reported on this Statement subject to a Renaissance Zone exemption? **(Report costs in both Part 2 and Part 3 in order to ensure proper assessment of non-exempt millage)**

Yes No Ren Zone Name: _____ Insert Expiration Date: _____

2. Is the personal property reported on this Statement subject to a 50% Michigan Strategic Fund (MSF) ESA Resolution?

Yes No Insert Certificate Number: _____ **(If yes, attach a copy of the MSF Resolution)**

3. Is the personal property reported on this Statement subject to a 100% Michigan Strategic Fund (MSF) ESA Resolution?

Yes No Insert Certificate Number: _____ **(If yes, attach a copy of the MSF Resolution)**

4. Is the personal property reported on this Statement qualified new or previously existing personal property exempt under MCL 211.9m or MCL 211.9n and would have been subject to a non-extended Industrial Facilities Exemption Certificate (P.A. 198 of 1974) that was in effect before January 1, 2013?

Yes No * Insert Certificate Number: _____ Insert Expiration Date: _____

(If yes, report costs in Section 2)

5. Is the personal property reported on this Statement subject to an extended P.A. 328 (MCL 211.9f) New Personal Property exemption that was in effect on or after December 31, 2012? (Note: P.A. 328 exemptions that expired in 2012 expired on December 30, 2012. Exemptions in effect on or after December 31, 2012 would have been exempt on the 2013 assessment roll and subsequent assessment rolls.)

Yes No * Insert Certificate Number: _____ Insert Expiration Date: _____

(If yes, report costs in Section 2)

6. Is the personal property reported on this statement subject to an extended Industrial Facilities Exemption Certificate (P.A. 198 of 1974, Section 11a, MCL 207.561a) which was in effect on or after December 31, 2012?

Yes No * Insert Certificate Number: _____ Insert Expiration Date: _____

(If yes, report costs of non-exempt property years in Part 2 and in Part 3, Section 2)

7. Is the personal property reported on this Statement subject to a P.A. 328 New Personal Property Exemption that was approved in 2014?

Yes No * Insert Certificate Number: _____ Insert Expiration Date: _____

(If yes, report costs in Section 2)

* **If you checked no to questions 4, 5, 6 and 7 and the personal property is qualified new or previously existing personal property according to MCL 211.9m or MCL 211.9n, report the costs in Part 3, Section 1.**

Part 3, Section 1: Report of Qualified New Personal Property (MCL 211.9m) and Qualified Previously Existing Personal Property (MCL 211.9n)

Report 100% of the Eligible Manufacturing Personal Property's fair market value at the time of acquisition by the first owner. Include the cost of freight, sales tax, and installation, and other capitalized costs (except capitalized interest). Report Construction in Progress (CIP) as defined in MCL 211.9m(8)(c) in this part of the Statement. A list of all certification numbers must be attached to this form.

Year Placed in Service	Total Cost
2015 & CIP	
2014	
2013	
2005 & Prior	
Total	

Part 3, Section 2: Report of New Personal Property (P.A. 328) and Extended Industrial Facilities (P.A. 198) Exemptions

Report 100% of the Eligible Manufacturing Personal Property's fair market value at the time of acquisition by the first owner. Include the cost of freight, sales tax, and installation, and other capitalized costs (except capitalized interest). Report Construction in Progress (CIP) as defined in MCL 211.9m(8)(c) in this part of the Statement. A list of all certification numbers must be attached to this form.

Year Placed in Service	Total Cost
2015 & CIP	
2014	
2013	
2012	
2011	
2010	
2009	
2008	
2007	
2006	
2005 & Prior	
Total	

PART 4 DEFINITIONS

Direct Integrated Support is defined as:

- (i) Research and development related to goods produced in industrial processing and conducted in furtherance of that industrial processing.
- (ii) Testing and quality control functions related to goods produced in industrial processing and conducted in furtherance of that industrial processing.
- (iii) Engineering related to goods produced in industrial processing and conducted in furtherance of that industrial processing.
- (iv) Receiving or storing equipment, materials, supplies, parts, or components for industrial processing, or scrap materials or waste resulting from industrial processing, at the industrial processing site or at another site owned or leased by the owner or lessee of the industrial processing site.
- (v) Storing of finished goods inventory if the inventory was produced by a business engaged primarily in industrial processing and if the inventory is stored either at the site where it was produced or at another site owned or leased by the business that produced the inventory.
- (vi) Sorting, distributing, or sequencing functions that optimize transportation and just-in-time inventory management and material handling for inputs to industrial processing.

Eligible Manufacturing Personal Property (EMPP) means all personal property located on **occupied real property** if that personal property is predominantly used in industrial processing or direct integrated support. For personal property that is construction in progress and part of a new facility not in operation, EMPP means all personal property that is part of that new facility if that personal property will be predominantly used in industrial processing when the facility becomes operational. Personal property that is not owned, leased or used by the person who owns or leases occupied real property where the personal property is located is not EMPP unless the personal property is located on the occupied real property to carry on a current on-site business activity. Personal property that is placed on occupied real property solely to qualify the personal property for an exemption under 9m or 9n is not EMPP. For additional information regarding EMPP, please refer to MCL 211.9m and State Tax Commission Bulletin 7 of 2015.

Eligible Personal Property (for purposes of the Essential Services Assessment) means personal property exempt under MCL 211.9m or 211.9n and personal property that is EMPP (defined in MCL 211.9m) that is exempt under a P.A. 328 (MCL 211.9f) which was approved in 2014, unless the application for the exemption was filed with the eligible local assessing district or Next Michigan development corporation before August 5, 2014 and the resolution approving the exemption states that the project is expected to have total new personal property of over \$25,000,000.00 within 5 years of the adoption of the resolution by the eligible local assessing district or Next Michigan development corporation. Personal Property subject to an extended industrial facilities exemption certificate under section MCL 207.561a (IFT). Personal Property subject to an extended exemption under MCL 211.9f(8) (328 Exemption).

Essential Services Assessment Act is an act to levy a tax on certain personal property; to provide for the administration, collection, and distribution of the tax; to impose certain duties on persons and certain state departments; to impose penalties; and to repeal acts and parts of acts," (MCL 211.1051 - 211.1061).

Industrial Processing is defined in MCL 205.54t and MCL 205.94o: "Industrial processing" means the activity of converting or conditioning tangible personal property by changing the form, composition, quality, combination, or character of the property for ultimate sale at retail or for use in the manufacturing of a product to be ultimately sold at retail. Industrial processing begins when tangible personal property begins movement from raw materials storage to begin industrial processing and ends when finished goods first come to rest in finished goods inventory storage. Industrial processing does not include the generation, transmission, or distribution of electricity for sale. **Utility personal property (as defined in MCL.211.34c) is not used in industrial processing or direct integrated support.**

Occupied Real Property, Industrial Processing and Direct Integrated Support are defined in MCL 211.9m and State Tax Commission Bulletin 7 of 2015.

Qualified New Personal Property is defined as personal property that was initially placed in service in this state or outside of the state after December 31, 2012 or that was construction in progress on or after December 31, 2012 that had not been placed in service in this state or outside of this state before 2013 and is eligible manufacturing personal property.

Qualified Previously Existing Personal Property means personal property that was first placed in service within this state or outside of this state more than 10 years before the current calendar year and is eligible manufacturing personal property.

PART 5: INSTRUCTIONS

This affidavit/statement may only be used by those claiming the Eligible Manufacturing Personal Property (EMPP) exemption. Taxpayers should review Bulletin 7 of 2015 for more information on what is EMPP. Claimants must annually complete this form in its entirety for each parcel of eligible personal property and file it with the local unit where the personal property is located no later than February 20, 2016. Leasing companies are not eligible to receive the EMPP exemption and may not use this form. Leased equipment is reported by the lessor on Form 632, Personal Property Statement, until such time as the personal property becomes exempt and is reported as EMPP in Part 3 of this Affidavit and Statement by the lessee.

All State Tax Commission Bulletins and Forms referenced in these instructions can be accessed at www.michigan.gov/PPT or www.michigan.gov/ESA

Other forms that are required to be filed with this Statement, are required to be completed only for personal property placed in service for years 2006 through 2012.

Part 1: Affidavit

This section must be filled out in its entirety in order to qualify for the exemption. This includes the local unit information, property owner information and certification. Partially completed forms cannot be accepted by the local unit and your failure to fully complete the Affidavit and Statement will result in denial of the exemption.

Part 2: Ad Valorem Personal Property Statement for Eligible Manufacturing Personal Property, Renaissance Zone Personal Property and Industrial Facility Personal Property – General Instructions

Generally, the instructions for completing the Ad Valorem Statement in Part 2 are the same as the instructions that have been used in Form 632, Personal Property Statement.

Summary Question 1: “Special Tools” are exempt from taxation, pursuant to MCL 211.9b. If you are excluding “special tools” from your statement, you must check “Yes” and insert the amount of original cost excluded. (If you do not have exempt special tools but have pollution control or wind/water energy conversion devices, check the “Yes” box but insert “N/A” in the space provided for reporting the cost of exempt special tools.) “Special tool” means a finished or unfinished device such as a die, jig, fixture, mold, pattern, special gauge, or similar device that is used, or is being prepared for use, to manufacture a product and that cannot be used to manufacture another product without substantial modification of the device. As used herein, a “product” can be a part, a special tool, a component, a subassembly or completed goods. “Special tools” do not include devices that differ in character from dies, jigs, fixtures, molds, patterns, or special gauges. Machinery or equipment, even if customized, and even if used in conjunction with special tools is not a “special tool.”

Air and water pollution control facilities and/or wind or water energy conversion devices qualify for exemption only if an exemption certificate has been issued by the State Tax Commission. If you claim such an exemption, check “Yes” and attach an itemized list of the certificate numbers and the dates of issuance.

Summary Question 2: You must file a completed Form 5278 with the assessor of every Michigan assessment jurisdiction in which you had Eligible Manufacturing Personal Property on December 31, 2015. Further, you are required to report all tangible personal property in your possession in this location even if the property has been fully expensed or depreciated for federal income tax or financial accounting purposes. If you answer “No” to this question, attach a detailed explanation.

Summary Question 3: The purpose of this question is to determine whether you are a party to a contract relative to personal property located in this jurisdiction on December 31, 2015 that you have not reported on this statement, perhaps because of your belief that another party to the contract is the proper party to report. This includes situations where you believe you hold only a security interest in personal property, in spite of the fact that the contract is labeled a “lease.” If you answered “yes” to this question, attach a rider that includes the name(s) of the interest holder(s), the nature of your interest, a description of the equipment, the year the equipment was originally placed in service, its original selling price when new and the address where the property was located on December 31, 2015. “Conditional sale” leased equipment must be reported by the lessor.

The valuation multipliers contained in Sections A through F on page 2 are intended to be applied to the acquisition cost of new, not used, personal property. If the acquisition cost new of an asset is known to you or can be reasonably ascertained through investigation, you must report that cost in the year it was new when you complete Sections A through F, even if you have adjusted the cost in your accounting records to reflect revaluation of the asset using a “purchase,” “fresh start,” “push-down” or similar accounting methodology, or even if your booked cost reflects a “used” purchase, lease “buy-out” price or a “trade-in” credit. If you were unable to report the acquisition cost new for one or more of your assets, you should check “Yes” and attach a list of all such assets. On the list, provide a detailed description of each asset, the year or approximate year that the asset was new, and the Section, the amount and acquisition year at which you have reported the asset. You must also provide a written explanation of the reason(s) that the original acquisition cost information is not available.

Summary Question 4: Check “Yes” if you are a lessor (landlord), a lessee (tenant) or a sublessee (subtenant) in a rental contract relating to the real property at this location. MCL 211.8(i) provides that, under some circumstances, the value, if any, of a sub-leasehold estate shall be assessed to the lessee. If you check “Yes,” complete Section O. Your rental arrangement will be analyzed by the assessor. If you check “Yes” and have made leasehold improvements to the real estate, you must also complete Section M. Your completion of Sections M and O will not necessarily result in an increased assessment.

Summary Question 5: “Daily rental property” is tangible personal property, having a cost new of \$10,000 or less, that is exclusively offered for rental, pursuant to a written agreement, on an hourly, daily, weekly or monthly basis for a term of 6 months or less (including all permitted or required extensions). If you acquired the property “used” you must determine the cost new for purposes of determining whether the property qualifies for “daily rental property” treatment. If you believe that you have such property, see Form 3595, Property Statement - Daily Rental Property, for additional information. If you qualify, you must complete Form 3595.

Summary Question 6: This question requires you to disclose other businesses that share space with you at the location(s) of your business. If you answer “Yes” attach a list of all other businesses operating at your location(s). If you are located in a shopping center, office building or other multi-tenant facility, you are not required to list businesses having a different legal address.

Part 2 - General Instructions for Sections A through F: You must report in these Sections the full acquisition cost new, in the year of its acquisition new, of all machinery and equipment, computer equipment, furniture and fixtures, signs, coin operated equipment, office equipment, electronic, video and testing equipment, rental video tapes and games and other tangible personal property owned by you and located in this assessment jurisdiction, even if you have fully depreciated the asset or have expensed the asset under Section 179 of the Internal Revenue Code or under your accounting policies. All costs reported must include freight, sales tax and installation costs, even in cases where the cost was actually incurred by another. The costs reported must include all costs (except capitalized interest) that would be capitalized by an end-user/owner of the property under generally accepted accounting principles, including overheads and “indirect costs” associated with the process of constructing, acquiring or making the property available for use. Capitalized expenditures made to

a piece of machinery or equipment after the initial acquisition year must be reported in the year the expenditure is booked as a fixed asset. These costs must be reported the same as they are shown on your financial accounting fixed asset records, assuming that you account using generally accepted accounting principles. You must also report in these sections any other tangible personal property in your possession or under your control in this jurisdiction that is not reported under sections G through N. The acquisition costs for the assets reported under each section must be totaled for each acquisition year. Place the yearly total on the line of the section corresponding to the year that the property was acquired. You must report the original acquisition cost, not your estimation of the value of the property.

The cost reported in each of the sections of this form, and other forms used with this form, should include the full invoiced cost without deduction for the value of certain inducements such as: service agreements and warranties when these inducements are regularly provided without additional charge.

Inventory is exempt from assessment. Inventory does not include personal property under lease or principally intended for lease or rental, rather than sale. Property allowed a cost recovery allowance or depreciation under the Internal Revenue Code is not inventory.

Motor vehicles registered with the Michigan Secretary of State on December 31, 2015 are exempt. Special mobile equipment, as defined by MCL 257.62, and nonregistered motor vehicles are assessable.

Computer software, if the purchase was evidenced by a separate invoice amount, and asset number, and if the software is commonly sold separately, is exempt.

If you have had "**Move Ins**" of used property during calendar year 2015, you must complete Form 3966, in addition to completing this Form. "Move-Ins" are items of assessable personal property that were not assessed in this city or township in 2015, including: acquisitions of previously used personal property (which should be reported in the year it was new and at the cost when new); used personal property you have moved in from outside this city or township; and personal property that you mistakenly omitted from your statement in 2015. "Move-Ins" do not include property moved from another location within this city or township or assessed to another taxpayer within this city or township in 2015 (i.e. property reported by a previous owner or previously leased property reported by the lessor to this city or township last year). All "Move-Ins" must be reported in the appropriate section of this Form, in addition to being reported on Form 3966.

You must report the cost of business trade fixtures in the appropriate section, A through F, rather than in section M where you report leasehold improvements. You must also report the costs of installing personal property in the appropriate section, A through F. Trade fixtures and installation costs of machinery and equipment must not be reported in section M, even if you have booked them as leasehold improvements for financial accounting purposes. Trade fixtures are items of property that have been attached to real estate by a tenant to facilitate the tenant's use of the property for business purposes and which are both capable of being removed and are removable by the tenant under the terms of the lease. Examples of trade fixtures are certain costs related to telephone and security systems and most signs. Examples of installation costs are the costs of machine foundations and electric, water, gas and pneumatic connections for individual manufacturing machines.

A summary of the items that should be reported in each section is contained in STC Bulletin 12 of 1999, its later annual supplement(s) and in these instructions. MCL 211.19 requires that you complete this form in accordance with the directions on the form and in these instructions. You may, however, attach supplementary material for the assessor to consider in making his or her valuation decisions. If you have questions regarding proper categorization of property, contact the State Tax Commission for clarification.

Part 2: Ad Valorem Personal Property Statement – Detailed Instructions

Report of Ad Valorem Statement Section A, Furniture and Fixtures: The assets to be reported in this section include decorations, seating, furniture (for offices, apartments, restaurants, stores and gaming establishments), shelving and racks, animal cages and tanks, lockers, modular office components, cabinets, counters, rent-to-own furnishings, medical exam room furnishings, therapeutic medical beds and bedding, bookcases, displays, mobile office trailers, special use sinks (such as those found in medical offices, beauty shops and restaurants), tables, non-electronic recreational equipment, filing systems, slat walls, non-freestanding signs, window treatments, uniforms and linens, cooking, baking and eating implements, shopping carts, booths and bars. Other assets may be included at a later time.

Report of Ad Valorem Statement Section B, Machinery and Equipment: The assets to be reported in this section include all assets that are not designated for disclosure in another section. Specifically, such assets include the following types of machinery and equipment: air compressors, airport ground, non-coin operated amusement rides and devices, auto repair & maintenance, beauty and barber shop, boiler, furnace, bottling & canning, crane and hoist, car wash, chemical processing, construction, unlicensed vehicular, conveyor, non-coin operated dry cleaning and laundry, air makeup and exhaust systems, manufacturing and fabricating, food processing, gym & exercise, heat treating, landscaping, sawmill, incinerators, maintenance and janitorial, non-electronic medical and dental and laboratory and veterinary equipment, mining and quarrying, mortuary & cemetery, painting, hydrocarbon refining and production and distribution, plastics, pottery & ceramics, printing and newspaper, rubber manufacturing, scales, ski lifts, smelting, stone & clay processing, supermarket, textile, tanning, vehicle mounted, waste containers, wire product manufacturing, woodworking, automated tellers (ATM), computer controlled lighting, CNC controlled manufacturing, theater equipment, restaurant food preparation and dispensing and storing and serving equipment, soft drink fountains, coin counters, beverage container return machines, storage tanks, hand tools of mechanics and trades, nonregistered motor vehicles, freestanding and other safes not assessed as real property, oil and gas field equipment and gathering lines prior to commingling product with other wells (other lines are reported in Section J, Form 3589), portable toilets, metal shipping pallets and containers, portable saw mills, LP tanks under 2,000 gallons, fuel dispensing control consoles, computer-controlled printing presses, stereo lithography apparatus, forklift trucks, non-coin operated gaming apparatus and computerized and mechanical handling equipment, commercial mail sorting operation equipment, pill counters, pram robotics. Other assets may be included at a later time.

Section C is omitted from use.

Report of Ad Valorem Statement Section D, Office, Electronic Video and Testing Equipment: The assets to be reported in this section include office machines, non-computerized cash registers, faxes, mailing and binding equipment, photography and developing equipment, including one-hour photo developing equipment, shredders, projectors, telephone and switchboard systems (even if computerized), audio and video equipment [used for receiving, transmitting, recording, producing and broadcasting], amplifiers, CD, cassette and disc players, speakers, cable television local origination equipment, electronic scales, surveillance equipment, electronic diagnostic and testing equipment (for automotive shops, medical offices, hospitals and dental offices), ophthalmology testing equipment, satellite dishes, video-screen arcade games, electronic testing equipment, electronic laboratory equipment, cellular telephones, medical laser equipment, reverse osmosis and hemodialysis systems, movable dynamometer, spectrum analyzer, security systems, 2-way and mobile land radio equipment, pay-per-view systems, wooden and plastic pallets and shipping containers, rental musical instruments and distributive control systems (see STC Bulletin 3 of 2000). Office machines which are not capable of being integrated into a local area or wide area computer network, office machines that are only capable of being used as a facsimile transmitting/receiving machine and/or as a copier, and office machines that are multifunctional but are not capable of being used as a computer peripheral, are reported in this section. A copier is a freestanding or desktop piece of office equipment, which is most commonly used in an office setting, and which is primarily designed to print, or to make copies of short-run text material produced in that office. Copiers generally use commercially available 8 1/2" by 11" bond or copy paper and produce duplicate originals of text documents in such a way that the use of carbon paper or other duplicating processes can be avoided. Printing presses are not copiers and must be reported in Section B of this form even if the operation of the printing press is regulated or controlled digitally, is controlled by a computer, or is automated. A printing press is a device designed primarily to produce commercial runs of printed material, such as books, pamphlets, forms, magazines, newspapers, or advertising circulars, for commercial sale, regardless of the technology employed in such production and regardless of the type of paper which is used. The definition of a printing press specifically includes any machine that employs an offset or other non-impact printing process, if the machine otherwise meets the definition of a printing press. Cellular site equipment, specifically including communication towers and land improvements must be reported on Form 4452, rather than in this Section.

Report of Ad Valorem Statement Section E, Consumer Coin Operated Equipment: The assets to be reported in this section include consumer coin-operated equipment such as bill & change machines, juke boxes, pin ball machines, coin-operated pool tables and other non-video arcade games, snack & beverage machines, other vending machines, news boxes, laundry equipment, coin operated telephones and slot machines. Other assets may be included at a later time.

Report of Ad Valorem Statement Section F, Computer Equipment: The assets to be reported in this section include assessable software, personal and midrange and mainframe computer and peripheral equipment, including servers, data storage devices, CPUs, input devices such as scanners and keyboards, output devices such as printers and plotters, monitors, networking equipment, computerized point of sale terminals, global positioning system equipment, lottery ticket terminals, gambling tote equipment, pager instruments, cable television converters and receivers for home satellite dish television systems.

A programmable logic control device for a machine should be reported in section B with the machine it serves. Office machines which are capable of being integrated into a local area or wide area computer network and office machines that are single function, or multifunction, and which are capable of being used as a computer peripheral, including copiers that can be used as a computer peripheral, are reported in this section. Other assets may be included at a later time.

Report of Ad Valorem Statement Section G, Other Owned Assessable Personal Property: Report all nonexempt tangible personal property owned by you at this location that is not entitled to depreciation/cost recovery under the United States Internal Revenue Code or that the assessor has told you to report in this section or that otherwise presents special valuation problems. An example of property not entitled to depreciation/cost recovery is fine art. Examples of properties that represent special valuation problems are: locally- assessed copper and fiber optic cable not reportable in Section M, frequently supplemented professional books, feature motion picture films, audio and video productions not sold to the public at large, musical instruments used for professional performance, LP tanks of 2,000 gallons or more that have not been assessed as real property, nuclear fuel and toll bridge company structures. Provide all requested information. An inspection of the property may be necessary. Property reported in this section should not be reported elsewhere on this form.

Section H is omitted from use.

Report of Ad Valorem Statement Section I, Qualified Personal Property: Report "qualified personal property" in this section. Do not report "qualified personal property" in sections A through F. "Qualified personal property" is property that was made available to you by a "qualified business" (usually a leasing company or a finance company) and which is not assessable to the "qualified business." Such property is assessable to you as the user. The requirements for "qualified business" treatment are strict and many leasing and financing companies do not qualify. Further, such treatment only applies to property subject to an agreement (usually labeled a lease) entered into after December 31, 1993 that qualifies for treatment as "qualified personal property." The "qualified business" is required to have filed a statement with the assessor by February 1st of the current year and is required to have made a written agreement with you in which it is specifically agreed that you will report the property to the assessor as "qualified personal property." See MCL 211.8a.

Report of Ad Valorem Statement Section J and K, Leased and Other Personal Property in Your Possession Which is Not Qualified Personal Property: Report all business machines, postage meters, machinery, equipment, furniture, fixtures, tools, burglar alarms, signs and advertising devices and other tangible personal property that you are renting or leasing from another person or entity. Provide all of the information requested for each lease. You must provide the actual or estimated selling price new of the asset so control totals can be generated for use on the Summary and Certification portion of page 1. MCL 211.13 provides that all tangible personal property shall be assessed to the owner thereof, unless the owner is not known. A personal property statement will be sent to the owner. Property reported in this section should not be reported elsewhere on this form.

Report all machines, meters, machinery, equipment, furniture, fixtures, tools, signs and advertising devices that are in your possession but are not owned, leased or rented by you. Examples include equipment left with you by vendors, such as display racks, coolers or fountain equipment, property loaned to you by another, property left with you for storage or rebuilding, consigned equipment not held for resale and assets sold but not yet picked up by the purchaser. Provide all of the information requested for each asset. You must provide the actual or estimated selling price new of the asset so that control totals can be generated for use on the Summary and Certification portion of page 1. MCL 211.13 provides that all tangible personal property shall be assessed to the owner thereof, unless the owner is not known. A personal property statement will be sent to the owner.

Section L is omitted from use.

Report of Ad Valorem Statement Section M Leasehold Improvements: This section is to be completed by tenants who are renting or leasing real property. All improvements (leasehold improvements) you have made to the real property should be reported, even if you believe that the improvements are not subject to assessment as personal property. Provide as much detail as possible so that the assessor can determine whether an assessment should be made. Coaxial and/or fiber-optic wiring costs and associated infrastructure of audio and/or visual systems serving subscribers of one or more multiple unit dwellings or temporary habitations under common ownership, and which do not use public rights-of-way shall be reported in this section and be clearly identified as such. You may use attachments, but only if your attachment provides all the information requested in this section and if you insert the Total Cost Incurred where required on the Statement. Do not provide the detailed description as miscellaneous.

Report of Ad Valorem Statement Section N, All Freestanding Signs and Billboards: Report the total capitalized cost and year of construction of buildings and other structures you have placed on land not owned by you, such as leased or public lands or on public rights-of-way. Costs of freestanding communications towers and associated equipment buildings (unless such costs have been reported on Form 4452) and costs of freestanding billboards are examples of other structures that are to be reported. The reported cost must include all costs capitalized on your records. See STC Bulletin 8 of 2007.

Report of Ad Valorem Statement Section O, Rental Information: Landlords and tenants must provide rental information relating to lease arrangements to which they are a party. Do not report lease or rental arrangements relating to property occupied for residential purposes. If you are a landlord with multiple properties, contact the assessor to arrange an acceptable alternative reporting method.

Grand Total Costs of Ad Valorem Personal Property

Enter zero costs if appropriate.

Number 1: Complete Sections A through O. Add the totals from Sections A through O to arrive at a Cost Grand Total Cost for these Sections.

Number 2: Construction in Progress that is EMPP, per MCL 211.9m(8)(c), will be reported in the appropriate section of this Statement for years 2006 through 2012. Report the total cost incurred for Construction in Progress, as calculated on an accrual basis, based on the extent of physical presence of the construction in progress in the assessment jurisdiction.

Number 3: If you had cable television or utility assets on December 31, 2015, complete Form 3589, Cable Television and Public Utility Personal Property Report, or Form 633, Electric Distribution Cooperative Personal Property Statement, and carry the Total Original Cost from Form 3589 or Form 633 to line 3. See the instructions to Form 3589. If you had wind energy system assets as defined in MCL 211.8 (i), on December 31, 2015, complete Form 4565, Wind Energy System Personal Property Report, and carry the total original cost from Form 4565 to line 3. See the instructions to Form 4565.

Number 4: If you had assets that qualified as "idle equipment" or as "obsolete or surplus equipment" on December 31, 2015, complete Form 2698, Idle, Obsolete and Surplus Equipment, and carry the Total Original Cost from Form 2698 to line 4.

"Idle equipment" is equipment that is part of a discontinued process and that has been disconnected and is stored in a separate location. Assets are not "idle" if they are present as standby equipment, are used intermittently or are used on a seasonal basis. "Obsolete or surplus equipment" is equipment that either requires rebuilding and is in the possession of a rebuilding firm on December 31, 2015 OR is being disposed of by means of an advertised sale because it has been declared as surplus by an owner who has abandoned a process or plant. Property that is part of a process that has been temporarily suspended from operation or which is being offered for sale with the expectation that the process will be continued at the same location, does not qualify for idle or obsolete and surplus reporting treatment. Only property which would otherwise be reported in Sections A through F on this Statement qualifies to be reported as idle or obsolete and surplus equipment. For more information, see instructions to Form 2698. Do not include these assets elsewhere on this Statement. If you had cellular (wireless) site assets on December 31, 2015, complete Form 4452, Cellular (Wireless) Site Equipment Personal Property Report, and carry the Total Original Cost from Form 4452 to line 4. See the instructions to Form 4452.

Number 5: If you had assets that qualified as automotive manufacturing personal property on December 31, 2015, complete Form 4798, Report of Automotive Manufacturing Personal Property, and carry the Total Original Cost from Form 4798 to line 5.

Part 3: Essential Services Assessment Statement Instructions

For further information, all State Tax Commission Bulletins and Forms referenced in these instructions can be accessed at www.michigan.gov/PPT or www.michigan.gov/ESA.

Summary and Reporting Instructions for Essential Services Assessment

Provide a yes or no answer to all questions. If a yes answer is provided, the Total Acquisition Costs for that eligible personal property must be reported in either Section 1 or 2 as indicated by the instructions. However, the cost of an item of eligible personal property is not to be reported in both Sections 1 and 2. A list of all application certification numbers must be attached to this Form.

Number 1: Personal property subject to a Renaissance Zone exemption must be designated in this part including the name of the Renaissance Zone and the expiration date.

Number 2 & 3: Personal property subject to a 50% or 100% Michigan Strategic Fund Resolution must be designated in this part. A copy of the resolution must be attached. Personal Property subject to a 50% or 100% Michigan Strategic Fund Resolution will be reported in either Part 1 or Part 2.

Number 4: Qualified new or previously existing personal property exempt under MCL 211.9m or MCL 211.9n and that would have been subject to a non-extended Industrial Facilities Exemption Certificate (P.A. 198) that was in effect before January 1, 2013 must be designated in this part including the certificate number and the expiration date.

Number 5: Personal property subject to an extended MCL 211.9f (PA 328) exemption that was in effect on or after December 31, 2012 must be designated in this section including the certificate number and the expiration date.

Number 6: Personal property subject to an extended Industrial Facilities Exemption Certificate (PA 198) that was in effect **on or after December 31, 2012** must be designated in this section. Include a list of certificate numbers and the expiration date.

Number 7: Personal property subject to a 328 New Personal Property Exemption that was approved in 2014 must be designated in this section including the certificate number and the expiration date. Eligible Personal Property includes personal property exempt under MCL 211.9f (P.A. 328 Exemption) approved after 2013 unless both of the following conditions are satisfied: (i) the application for the P.A. 328 exemption under MCL 211.9f was filed before August 5, 2014 and (ii) the resolution approving the exemption is expected to have total new personal property of over \$25,000,000 within 5 years of the adoption of the resolution by the local assessing district or the next Michigan development corporation.

Part 3, Section 1: Report of Qualified New Personal Property (MCL 211.9m) and Qualified Previously Existing Personal Property (MCL 211.9n)

Report the 100% of the Eligible Personal Property's fair market value of at the time of acquisition by the first owner for the years 2015, 2014, 2013 and 2005 & prior. There is a rebuttable presumption that the acquisition price paid by the first owner for personal property, and any costs of freight, sales tax, and installation, and other capitalized costs, except capitalized interest, reflect the acquisition cost. The cost of freight, sales tax and installation must be included. Other capitalized costs, except capitalized interest must be reported. Report Construction in Progress (CIP) as defined in MCL 211.9m(8)(c) in this section of the Statement. Insert the Grand Total cost in Section 1.

Part 3, Section 2: Report of New Personal Property (P.A. 328) and Industrial Facilities (P.A. 198) Exemptions

Report the 100% of Eligible Personal Property's fair market value at the time of acquisition by the first owner for all years. The cost of freight, sales tax and installation must be included. There is a rebuttable presumption that the acquisition price paid by the first owner for personal property, and any costs of freight, sales tax, and installation, and other capitalized costs, except capitalized interest, reflect the acquisition cost. Other capitalized costs, except capitalized interest must be reported. Report Construction in Progress (CIP) as defined in MCL 211.9m(8)(c) in this section of the Statement. Insert the Grand Total cost in Section 2.

Note: By May 1, the Department of Treasury will make available an electronic statement to each eligible claimant for calculation of the essential services assessment. An eligible claimant shall submit electronically to the Department of Treasury the completed statement and full payment of the essential services assessment no later than August 15 in each assessment year. More information and instructions regarding the essential services assessment statement and electronic payment requirements are available at www.michigan.gov/ESA.