

ATTENTION BUSINESS OWNERS

Due to recent legislation regarding personal property taxes, there may be significant changes in the way you file your annual personal property statement. Please read this information thoroughly to see if your company is eligible for an exemption of personal property.

SMALL BUSINESS ELIGIBLE PERSONAL PROPERTY

In order to qualify for the exemption, the personal property must meet **all** the following conditions:

- The combined true cash value is less than \$80,000. This total includes all industrial or commercial personal property in Livonia that is:
- Owned and/or leased by the entity claiming the exemption
- In possession of the owner or a related entity claiming the exemption (combined true cash value includes the value of leased equipment)
- The exemption must be property claimed on Form 5076.
- The personal property must be classified as industrial or commercial personal property as defined in MCL 211.34c or would be classified as such if not exempt.
- The property is not leased to or used by a person who previously owned the property or a person who, directly or indirectly controls, is controlled by, or under common control with the person who previously owned the property.

TAXPAYER RESPONSIBILITY

In order to claim the exemption, the owner of the eligible personal property **must** file an affidavit with the Assessing Department **not later** than February 20 each year the exemption is claimed. If an exemption is timely filed, the owner is not required to file a personal property statement in that tax year.

MAINTAIN BOOKS & RECORDS

Taxpayers are required to maintain books and records for four years after filing an affidavit claiming the exemption. They shall provide access to those books and records if requested by the City of Livonia Assessing Department, Wayne County Equalization, or the Department of Treasury for the four years immediately after filing the exemption.

DENYING EXEMPTIONS THAT DO NOT QUALIFY

The Assessing Department must deny exemptions that do not qualify. The Assessing Department can deny exemptions of the current year and up to three years prior. Any individual who fraudulently claims an exemption is guilty of a misdemeanor punishable by not less than 30 days and not more than 6 months in jail and a fine of not less than \$500 or not more than \$2,500 or both.

EXEMPTION AFFIDAVIT

If the taxpayer does **not** qualify, or **no longer** qualifies for the exemption, the taxpayer must file the Personal Property Statement L-4175 by February 20, for the current tax year.