

# Personal Property Exemption

## FOR 2026 - READ THIS to determine if your business qualifies!

1. **Taxpayers with less than \$80,000 of Personal Property are no longer required to annually file Form 5076 in order to claim the exemption.**

If a taxpayer did not file for the exemption in 2025, it can be claimed for 2026 by filing Form 5076 by February 20<sup>th</sup>, 2026. Once granted, the exemption will continue until the taxpayer no longer qualifies. At that point, the taxpayer is required to file Rescission Form 5618 and a personal property statement no later than February 20<sup>th</sup> of the year that the property is no longer eligible. Failure to file a Rescission Form will result in significant penalty and interest as prescribed by PA 132 of 2018.

To be eligible, a taxpayer must meet ALL of the following:

1. The exemption must be properly claimed (this is done by filing the affidavit by **February 20<sup>th</sup>, 2026**); **and**
2. The personal property must be classified as industrial personal property or commercial personal property as defined in MCL 211.34c or would be classified as industrial personal property or commercial personal property if not exempt; **and**
3. The ***combined true cash value*** of all industrial personal property and commercial personal property ***owned by, leased by or in the possession of the owner or a related entity*** claiming this exemption ***is less than \$80,000*** in the local tax collecting unit; **and**
4. The property is not leased to or used by a person that previously owned the property or a person that, directly or indirectly controls, is controlled by, or under common control with the person that previously owned the property.

**NOTE: Analysis is necessary beyond just doubling last year's assessment.**

If you feel you qualify for this exemption, you must complete, in its entirety, and return to the Assessor by **February 20<sup>th</sup>, 2026**, the "Small Business Property Tax Exemption Claim Under MCL 211.9o," Michigan Dept of Treasury Form 5076, included with this notice.

**To claim this exemption, the completed form must be postmarked no later than February 20<sup>th</sup>, 2026.** Your exemption may: 1) be denied by the local assessor if it is determined you do not qualify for this exemption; or 2) not be accepted by the local assessor if the Affidavit is not completely filled out or is received with a postmark after February 20<sup>th</sup>, 2026. **Late forms MUST be filed with a completed petition (form L-4035, [www.michigan.gov/taxes/property/forms/instructions/board-of-review](http://www.michigan.gov/taxes/property/forms/instructions/board-of-review)) directly with the 2025 March Board of Review prior to the closure of the March Board. Verify the dates of the March Board of Review with your local assessing office.**

## 2. **\*\* UPDATES for 2026 – Taxpayers with \$80,000 - \$180,000 of personal property**

To be eligible, a taxpayer must meet ALL of the above requirements EXCEPT #3, which is replaced by the following:

3. The ***combined true cash value*** of all industrial personal property and commercial personal property ***owned by, leased by or in the possession of the owner or a related entity*** claiming this exemption ***is greater than or equal to \$80,000 but less than \$180,000*** in the local tax collecting unit; **and** (continue with #4 above)

If you feel you qualify for this exemption, you must complete, in its entirety, and return to the Assessor by **February 20<sup>th</sup>, 2026**, the "Small Business Property Tax Exemption Claim Under MCL 211.9o," Michigan Dept of Treasury Form 5076 **ALONG WITH** Form 632 "Personal Property Statement" **each year** by February 20<sup>th</sup> (as long as it is not a Saturday or Sunday), both forms are included with this notice.

**To claim this exemption, the completed forms must be postmarked no later than February 20<sup>th</sup>, 2026.** Your exemption may: 1) be denied by the local assessor if it is determined you do not qualify for this exemption; or 2) not be accepted by the local assessor if the Affidavit is not completely filled out or is received with a postmark after February 20<sup>th</sup>, 2026. **Late forms can be accepted IF filed with a completed petition (form L-4035, [www.michigan.gov/taxes/property/forms/instructions/board-of-review](http://www.michigan.gov/taxes/property/forms/instructions/board-of-review)) directly with the 2026 March Board of Review prior to adjournment. You are responsible for verifying the dates of the March Board of Review with your local assessing office.**

### **3. \*\* 2026 UPDATE – Qualified Heavy Equipment Rental Personal Property Exemption**

If the business is a Qualified Renter, with a NAICS code of 532412 or 532310, maintains a qualified renter business location within Michigan and receives more than 50% of the business' annual gross receipts from the rental of QHERPP to the public, you must file Form 5819, the "Qualified Heavy Equipment Rental Personal Property Exemption Claim" and a statement approved by the State Tax Commission (form can be found at: [www.michigan.gov/taxes](http://www.michigan.gov/taxes)) of all QHERPP located at and/or rented from the qualified renter business location. The form and statement are to be filed with the assessor of the local unit where the qualified renter business is located, NOT where the equipment is while it is rented. The qualified renter should identify ALL QHERPP located at or rented from its qualified renter business location in a local assessing unit, not just some of the QHERPP at that location.

**Form 5819 and statement must be filed annually and must be postmarked no later than February 20<sup>th</sup>, 2026.** Your exemption may: 1) be denied by the local assessor if it is determined you do not qualify for this exemption; or 2) not be accepted by the local assessor if the Affidavit is not completely filled out or is received with a postmark after February 20<sup>th</sup>, 2026. **Late forms can be accepted IF filed with a completed petition (form L-4035, [www.michigan.gov/taxes/property/forms/instructions/board-of-review](http://www.michigan.gov/taxes/property/forms/instructions/board-of-review)) directly with the 2026 March Board of Review prior to adjournment. You are responsible for verifying the dates of the March Board of Review with your local assessing office.**

QHERPP is exempt from ad valorem property taxes ONLY IF it is located in Michigan on tax day (December 31) and one of the following is satisfied:

1. It is permanently labeled with the name of the qualified renter and the qualified rental business location.
2. It is permanently labeled with the name and phone number of the qualified renter, and the qualified renter's annual claim of exemption identifies the physical location of the QHERPP on tax day.

All QHERPP that has claimed an exemption is not eligible to be exempt under MCL 211.9m (Qualified New Personal Property), 9n (Qualified Previously Existing Personal Property) or 9o (Eligible Personal Property).

Once qualified for the QHERPP exemption under MCL 211.9p, qualifying personal property will be exempt from ad valorem taxes and instead pay the specific tax as provided by Public Act 35 of 2022 (MCL 211.1121 – 211.1133).

**IMPORTANT** - The taxpayer must keep adequate books and records relating to:

The description - Date of purchase, lease or acquisition - The purchase price, lease amount, or value of all industrial personal property and commercial personal property owned by, leased by or in the possession of that person or a related entity - Records must be kept for 4 years. These records are subject to audit.

Further information regarding these exemptions can be found on the State's website: [www.michigan.gov/taxes](http://www.michigan.gov/taxes), click on **Go to Property Taxes**, then **Personal Property Tax General Information**.