

STC Use Only	
▶ Application No.	▶ Date Received

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

Instructions: Read the instructions before completing the application. **This application must be filed prior to building permit issuance and start of construction.** Initially file one original application (with legal description) and two additional copies of this form with the clerk of the local governmental unit (three complete sets). The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

TO BE COMPLETED BY CLERK OF LOCAL GOVERNMENTAL UNIT (LGU)			
Signature of Clerk		▶ Date received by LGU	
LGU Application Number		▶ LGU Code	
Part 1: Owner/Applicant Information (complete all fields)			
▶ Applicant Name		Amount of years requested for exemption	
▶ Location of Facility (Street No., City, State, ZIP Code)			
<input type="checkbox"/> City of <input type="checkbox"/> Township of <input type="checkbox"/> Village of		County	
▶ Application is <input type="checkbox"/> New <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Transfer (1 copy only)		School District where facility is located	▶ School Code
Is the building owned or rented by the occupants? <input type="checkbox"/> Owned <input type="checkbox"/> Rented		Type of Property <input type="checkbox"/> House <input type="checkbox"/> Duplex <input type="checkbox"/> Condo <input type="checkbox"/> Loft <input type="checkbox"/> Apartment – No. of Units ___	
Name of LGU that established district	▶ Name or Number of Neighborhood Enterprise Zone	▶ Date district was established	
Identify who the work was completed by <input type="checkbox"/> Licensed Contractor <input type="checkbox"/> Other _____		Estimated Project Cost (per unit)	
Describe the general nature and extent of the rehabilitation or new construction to be undertaken. <u>Include Breakdown of Investment Cost</u> (use attachments if necessary)			
Timetable for undertaking and completing the rehabilitation or construction of the facility.			
Part 2: Applicant Certification			
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
▶ Contact Name		Contact Telephone Number	
Contact Fax Number		Contact E-mail Address	
Owner/Applicant Name		Owner/Applicant Telephone Number	
Owner/Applicant Signature		Date	
▶ Owner/Applicant Mailing Address (Street No., City, State, ZIP Code)		Owner/Applicant E-mail Address	

Part 3: LOCAL GOVERNMENT ACTION	
LGU Clerk must complete this section before submitting to the State Tax Commission	
Action taken by LGU: <input type="checkbox"/> Abatement Approved for _____ Years (6-15) <input type="checkbox"/> Abatement Approved for _____ Years (11-17 historical credits) <input type="checkbox"/> Denied (include Resolution Denying)	The State Tax Commission requires the following documents be filed for an administratively complete application: <input type="checkbox"/> 1. Original Application <input type="checkbox"/> 2. Legal description of the real property with parcel code number <input type="checkbox"/> 3. Resolution approving/denying application (include # of years) <input type="checkbox"/> 4. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.
▶ Date of Resolution Approving/Denying this application	LGU Name
Part 4: LOCAL GOVERNMENT CERTIFICATION	
LGU Clerk must complete this section before submitting to the State Tax Commission	
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.	
I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.	
Print Clerk Name	Clerk Telephone Number
Clerk Fax Number	Clerk E-mail Address
Clerk's Mailing Address (Street, City, State, ZIP Code)	
Clerk Signature	Date

LGU mail original completed application and required documents to:

State Tax Commission
 Michigan Department of Treasury
 P.O. Box 30471
 Lansing, MI 48909-7971

Note: Additional documentation will be required for the issuance of the certificate of exemption. These documents should be sent directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to your LGU Clerk.

Instructions for Form 2704A, Application for Neighborhood Enterprise Zone (NEZ) Certificate

The Neighborhood Enterprise Zone (NEZ) Facility Certificate was created by Public Act 147 of 1992, as amended. To qualify for this certificate, the subject property must be located within an established NEZ. Applications for a certificate of exemption are filed, reviewed, and approved by the local unit of government (LGU), but are also subject to review and approval/denial by the Michigan State Tax Commission.

Builder/Developer/Applicant

Complete Parts 1 and 2.

This application must be filed with the LGU clerk prior to the building permit issuance and the start of construction. File one original and two copies (three complete sets) of the completed application (form 2704A) and the following documents:

- Legal description of the real property on which the facility is located.
- Property Identification Number
- Describe the general nature and extent of the new construction or rehabilitation to be undertaken and the breakdown (for rehabilitation only) of the investment cost.
- Outline the timetable for undertaking and completing the new construction or rehabilitation of the facility.

NOTE TO NEW OWNERS: A list of additional required documentation to complete the application/certificate issuance process is on page 2 of the instructions. This documentation is sent directly to the State of Michigan, only after the original application is filed with the LGU clerk and approved by the LGU.

Any questions concerning the completion of this application should be directed to your LGU Clerk. Additional information on the NEZ program can be found at www.michigan.gov/treasury.

LGU Clerk

Complete Part 3 & 4

The LGU Clerk should review the application for complete and accurate information, to determine that the subject property is located within a qualified NEZ and certify the application meets the requirements as outlined by Public Act 147 of 1992.

Once approved, attach a certified copy of the resolution approving the application. This resolution must include the number of years the LGU is granting the abatement.

Send the complete application package to:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

Application Deadline

Complete applications must be received by the State Tax Commission before October 31, to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

Additional Documents Required by the State to Issue a NEZ Certificate

Some documents may be obtained from the builder/developer.

Additional documents required for a New facility project:

- A signed application completed by the new owner/occupant. Most of the information needed can be taken from the original application filed by the developer. Be sure to make a copy of both pages of the application.
- A copy of the legal description of the real property with parcel code number of the property for each house/condo being built.
- A copy of the building permit. Please make sure the copy of the permit (building/trade permit) sent to the State is clear and legible.
- A copy of the new owners Warranty Deed showing ownership with the date deed was executed and signatures.
- A copy of the Certificate of Occupancy and Compliance.

Additional documents required for a Rehabilitated facility:

- Documentation proving the cost requirements of Michigan Compiled Law (MCL) 207.772(k) is met. A breakdown of investment cost for each house, condo or unit being rehabilitated and the square footage for each.
- A copy of the legal description of the real property with parcel code number of the property for each house/condo being built or rehabilitated.
- A clear and legible copy of the building/trade permit. For a rehabilitated facility you may not have a building permit but you will have trade permits, send copies of the trade permits.
- A copy of the new owner's Warranty Deed showing ownership with date the deed was executed and signatures.
- A certificate of occupancy and compliance, or certification by the local building official that the building meets minimum building codes for the local unit. Applicant must contact the building official.
- A copy of the statement by the assessor showing taxable value of the rehabilitated facility, not including the land, for the tax year immediately preceding the effective date of the rehabilitation.

Transfer of an existing certificate

Existing NEZ certificates may be transferred to a new owner by filing the completed application (form 2704A) and a copy of the warranty deed for the subject property with the State Tax Commission.

Tax Advantage for a NEZ Facility Exemption

The NEZ tax for a “**Rehabilitated facility**” is determined by multiplying the total mills levied as ad valorem taxes by the taxable value, not including land, for the tax year immediately preceding the effective date of the certificate, unless the effective date is adjusted by MCL 207.780(3). If the effective date is adjusted or the certificate is approved after 12/31/2005, the taxable value remains “frozen” until the last three years of the certificate and is then adjusted as described below.

The NEZ tax for a “**New facility**” is determined by multiplying one-half the average state-wide homestead mills levied in this state in the immediately preceding calendar year by the taxable value of the “New facility”, not including land, until the certificate expires, unless the effective date is adjusted by MCL 207.780(2). If the effective date is adjusted or the certificate is approved after 12/31/2005, the exemption is adjusted as described below. The state-wide average homestead rate is set by the Michigan Department of Treasury, Bureau of Local Government Services on an annual basis.

In the last three years of the exemption, the exemption applies to only the number of mills levied for the county and LGU operating purposes (does not include debt millage); multiplied by the current taxable value. Any county or LGU debt millage and all other millages levied by all other taxing authorities would be levied at the full millage. Land is not included in this exemption.

In the tax year, two years before the certificate expires, the percentage of mills exempted for the county and LGU operating mills changes to **five-eighths** (does not include debt millage); multiplied by the current taxable value.

In the tax year, one year before the certificate expires, the percentage of mills exempted for the county and LGU operating mills changes from five-eighths to **three-fourths** (does not include debt millage); multiplied by the current taxable value.

In the year that the certificate expires, the percentage of mills exempted for the county and LGU operating mills changes from three-fourths to **seven-eighths** (does not include debt millage); multiplied by the current taxable value.

The LGU may grant an exemption for 6 to 15 years, or 11 to 17 years for a historic building.