Instructions for Completing Form 632 (L-4175), 2014 Personal Property Statement

NOTICE: If the true cash value of assessable personal property that you or a related party own, lease, or possess in this ("city" or "township") is under $80,000, you may be eligible for an exemption for 2014 by filing Form 5076 by February 10, 2014. IF YOU ARE ELIGIBLE FOR THIS EXEMPTION AND FILE FORM 5076 TIMELY, YOU DO NOT HAVE TO COMPLETE THIS PERSONAL PROPERTY STATEMENT. Review Form 5076 and the instructions to that form to determine whether you qualify. Form 5076 and instructions can be accessed at www.michigan.gov/taxes by searching for Form 5076 or from the local assessor.

This form is issued under authority of the General Property Tax Act. Filing is mandatory. Failure to file may result in imprisonment for a period not less than thirty days, nor more than six months; a fine not less than $100, nor more than $1,000; or both fine and imprisonment at the discretion of the court. See MCL 211.21.

CAUTION: Read these instructions carefully before completing the form. **Complete all sections.** Because this form has been coded, it is imperative that it be returned to assure proper processing. If all of the personal property formerly in your possession has been removed from this assessing unit before December 31, 2013, you must notify the assessor at once in order to change the records accordingly. This statement is subject to audit by the State Tax Commission, the Equalization Department or the Assessor. **Failure to file this form by its due date will jeopardize your right to file a Section 154 appeal with the State Tax Commission.** You are advised to make a copy of the completed statement for your records. This form must be filed in the city or township where the personal property is located on December 31, 2013. Do not file this form with the State Tax Commission unless you have been specifically instructed to do so by the Commission's staff.

Although you must complete all sections of this form, you are not required to file pages that do not contain any reported cost. You must, however, insert a zero entry in the appropriate line(s) 10, 11 and/or 12 of the "Summary and Certification" on page 1 to indicate that you have no costs to report for that page; you must complete and file section O if you are a landlord, a lessee or a sublessee. In completing this form, you may not use attachments in lieu of completing a section, unless the instructions specifically authorize the use of attachments for completing the section.

FACSIMILE SIGNATURES: This form must be signed at the bottom of page 1. A facsimile signature may be used (P.A. 267 of 2002), provided that the person using the facsimile signature has filed with the Assessment and Certification Division of the Department of Treasury a signed declaration, under oath, using Form 3980. This form can be obtained by writing the Assessment and Certification Division at P.O. Box 30790 Lansing MI 48909-8290. A facsimile signature is a copy or a reproduction of an original signature.

GENERAL EXPLANATION: The Michigan Constitution provides for the assessment of all real and tangible personal property not exempted by law. Tangible personal property is defined as tangible property that is not real estate. Form L-4175 is used for the purpose of obtaining a statement of assessable personal property for use in making a personal property assessment. Michigan law provides that the assessor must send Form L-4175 to any person or entity that may possess assessable personal property. Michigan law also provides that a person or entity receiving Form L-4175 must complete it and return it to the assessor by the statutory due date, even if they have no assessable property to report. If you had assessable personal property in your possession on December 31, 2013, you must submit a completed Form L-4175 to the assessor of the community where the property is located by the statutory due date, even if the assessor does not send you a form to complete.

COMPLETION OF FORM 632 (L-4175)

Page 1 - Statistical Information:

FROM: Insert name and address of the assessor if you are using a form not provided by the assessor. Often this form must be filed at an address different than the assessor's mailing address for other purposes. It is your responsibility to assure that this form is sent to the correct address. If you are unsure of the mailing address, call your local assessor or county equalization department.

TO: If you are not using a preprinted form, insert your name and address. Use the address at which you wish to receive future forms and tax billings. If your form is preprinted with an incorrect address, line out the incorrect portions and insert the corrections.

Parcel No.: Unless this is an initial filing, you have already been assigned a parcel number. If you are using a form not provided by the assessor, you must insert the correct parcel number. Failure to insert your parcel number may result in a duplicate assessment.

Square Feet Occupied: Insert the number of square feet of space occupied by the taxpayer at the location(s) reported.

Michigan Sales Tax No.: Insert the taxpayer's Michigan Sales Tax Number.

Preparer's Name and Address: Insert the name, address, telephone number and e-mail address of the person who has prepared this statement.

(Check One): Check the appropriate box indicating the form of legal organization used by the taxpayer in conducting its business. If the taxpayer is organized as a corporation or a limited liability company, insert the Michigan corporate identification number of the business or, if not authorized to do business in Michigan, the name of the state in which it is organized.

Location(s) of Personal Property: List the street addresses of all locations that are being reported on this statement. Locations in different school districts or lying within the boundaries of designated authorities or districts must be reported separately. All personal property at a given location in the same authority or district must be reported under one account, unless the assessor has directed otherwise. You must file a separate statement for property on which the tax is abated pursuant to P.A. 198 of 1974 (I.F.T.) or P.A. 328 of 1998 (certain new personal property).

Date of Organization: Insert the date that the taxpayer's business was first organized or commenced.

Date Business Began at Above Location: Insert the date that the taxpayer first commenced business at a location reported on this statement.

Assumed Names: State any assumed names used by the taxpayer in conducting its business at the location(s) reported.

Names of Owners or Partners: If the taxpayer is a sole proprietorship or a partnership, list the name(s) of the proprietor or partners.

If Sole Proprietorship, Taxpayer's Residential Address: Insert sole proprietor's actual residence address. Do not use mailing address, if different than residence address.

Legal Name of Taxpayer: Insert the taxpayer's exact legal name.

Address Where Personal Property Records Are Kept: Insert the address where the records used to complete this statement are kept. Only insert the address of an agent if that agent has actual possession of all documents necessary to conduct an audit.

Name of Person in Charge of Records: Insert the name of the person at the address where the records are kept who has actual control of the documents necessary to conduct an audit.

Telephone Number.: Insert the telephone number of the person having charge of the records used for filing.

Description of Taxpayer's Business activity: Insert a descriptive phrase indicating the nature of the taxpayer's business activity and NAICS Code.

Page 1 – Summary and Certification:

Page 1, Line 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. "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." A die, jig, fixture, mold, pattern, gauge, or similar tool that is not a "special tool" is a "standard tool" and must be reported in Section H. Machinery or equipment, even if specialized, and even if used in conjunction with special tools or standard tools is not reported in Section H and must, instead, be reported in Section B. Only industrial tools in the nature of dies, jigs, fixtures, molds, patterns and special gauges can qualify for this exemption. Personal property not directly used to carry out a manufacturing process is not a "special tool." Dies, jigs, fixtures, molds, patterns, special gauges, or similar devices that are not "special tools" should be reported at full acquisition cost new under Section H of this form.

Page 1, Line 2: Air and water pollution control facilities and/or wind or water energy conversion devices may qualify for exemption from taxation, only if an exemption certificate has been issued by the State Tax Commission on or before December 31, 2013. If you claim such an exemption, check "Yes" and attach an itemized listing of the certificate numbers, dates of issuance and amounts.

Page 1, Line 3: You must file a completed Form L-4175 with the assessor of every Michigan assessment jurisdiction in which you had assessable personal property on December 31, 2013. If you have fulfilled this obligation, check "Yes." If you have not filed in every required jurisdiction, attach an explanation.

Page 1, Line 4: 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, 2013 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, 2013. "Conditional sale" leased equipment must be reported by the lessor.

Page 1, Line 5: 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.

Page 1, Line 6: 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.

Page 1, Line 7: "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 and comply with the requirements set forth therein.

Page 1, Line 8: 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," attach a detailed explanation.

Page 1, Line 9: 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.

Page 1, Line 10: Complete Sections A through F, page 2, and add the totals from Sections A through F to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 2 and carry that amount to page 1, line 10a.

Page 1, Line 11: Complete Sections G through K, page 3, and add the totals from Sections G through K to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 3 and carry the amount to page 1, line 11a.

Page 1, Line 12: Complete sections L through O, page 4, and add the totals from sections M and N to arrive at a Cost Grand Total, as directed by the instruction at the bottom of the page. Insert the Cost Grand Total in the box indicated at the bottom of page 4 and carry the amount to page 1, line 12a.

Page 1, Line 13: If you had assets that qualified as "idle equipment" or as "obsolete or surplus equipment" on December 31, 2013, complete Form 2698, *Idle, Obsolete and Surplus Equipment*, and carry the Total Original Cost from Form 2698 to line 13a.

"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, 2013 **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 Page 2 of Form L-4175 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 form.

Page 1, Line 14: 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. Construction in Progress is property of a personal property nature that has never been in service and was in the process of being installed on December 31, 2013. Do not report partially constructed electric generating facilities as Construction in Progress. Such facilities must be reported on the Real Property Statement (Form 3991 - Gas Turbine and Diesel; Form 4070 - Hydroelectric; Form 4094 - Steam).

Page 1, Line 15: If you had cable television or utility assets on December 31, 2013, complete Form 3589, *Cable Television and Public Utility Personal Property Report*, or Form 633, *Distribution Personal Property Statement Electric Distribution Cooperate*, and carry the Total Original Cost from Form 3589 or Form 633 to line 15a. See the instructions to Form 3589. If you had wind energy system assets as defined in MCL 211.8 (i), on December 31, 2013, complete Form 4565, *Wind Energy System Personal Property Report*, and carry the total original cost from Form 4565 to line 15a. See the instructions to Form 4565.

Page 1, Line 16: If you had cellular (wireless) site assets on December 31, 2012, complete Form 4452, *Cellular (Wireless) Site Equipment Personal Property Report*, and carry the Total Original Cost from Form 4452 to line 16a. See the instructions to Form 4452.

Page 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. Imputed sales tax, freight and installation costs must be reported by equipment leasing companies in cases where the lessee has paid or will pay such costs, or will provide the equivalent benefit in kind. Sales/Use tax must be imputed and reported by equipment leasing companies in cases where the lessee is paying sales or use tax on installment lease payments. 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. If you purchased an asset used, and do not know and cannot ascertain the acquisition cost new, attach the list and explanation required by the **Page 1, Line 6** instructions. 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. Equipment not fully installed on December 31, 2012 should be reported on **Page 1, Line 14** and should not be reported in these sections. Property that was reported as construction in progress **last** year but which was placed in service on or before December 31, 2013 should be entirely reported on the 2013 acquisition line of the appropriate table, not the 2012 line. Similarly, the cost of all assets must be reported as acquired in the year that they were placed in service, rather than the year of purchase, if those years differ.

Leased assets and "daily rental property" must be reported by the **Owner** on sections A through H in the same manner as other property, using a cost which represents the price that would be paid by an end-user to acquire ownership of the property if it were to purchase rather than lease or rent. An itemized listing of the property must also be made in Section L (for leased assets) or pursuant to the requirements of the instructions for **Page 1, Line 7** (for daily rental assets).

All leased and daily rental assets must be reported by, and must be assessed to, the owner (the lessor or daily rental company), in spite of any agreement to the contrary between the parties to the lease or rental agreement, unless the property is "qualified personal property" or is owned by a bank. Leased and rental property must be reported at selling price new, even if the owner is the manufacturer of the asset or acquired the asset in the wholesale market for an amount less than the price that the end-user would have incurred to purchase the asset. If the asset is of a type that it is never sold to an end-user or if you have constructed the asset for your own use, report the price at which the asset would sell if a market sale did occur. See STC Bulletin 8 of 2007.

The cost reported in each of the sections of this form and on the 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, 2013 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 2013, you must complete Form 3966, in addition to completing Form L-4175. You can obtain Form 3966 from the Michigan Department of Treasury Web Site at **www.michigan.gov/taxes** or from your local assessor. "Move-Ins" are items of assessable personal property that were not assessed in this city or township in 2013, 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; personal property that was exempt in 2013 (such as exempt industrial facilities tax property); and personal property that you mistakenly omitted from your statement in 2013. "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 2013 (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 Form L-4175, in addition to being reported on Form 3966. **Do not report** 2012 acquisitions of new property 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.

The costs of an electrical generating facility, including the costs of all attached equipment that is integrated as a component in accomplishing the generating process, such as boilers, gas turbines and generators, are not reported on this form. An exception is a small, movable generating unit that has a fixed undercarriage designed to allow easy movement of the unit from place to place to provide temporary electric power. Another exception is wind energy systems. See instructions to **Page 1, Line 15.**

The costs associated with a generating facility that does not have a fixed undercarriage must be reported to the assessor on the appropriate Real Property Statement (Form 3991 - Gas Turbine and Diesel; Form 4070 - Hydroelectric; Form 4094 - Steam). The costs associated with small, movable electrical generation units that have a fixed undercarriage and the costs associated with other unattached, movable machinery and equipment used at generating facilities, such as front loaders, forklifts, etc. are reported in section B of this form.

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. These bulletins, along with forms and other bulletins can be accessed via our Web site at **www.michigan.gov/taxes.** 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.

Completion of Section A, Page 2: 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, nonelectronic 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.

Completion of Section B, Page 2: 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, nonelectronic 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.

Completion of Section C, Page 2: Report the acquisition cost new and the year of acquisition of rental videotapes, rental video games, rental DVD's and rental laser disks owned by you at this location. Other assets may be included at a later time.

Completion of Section D, Page 2: The assets to be reported in this section include office machines, non-computerized cash registers, faxes, mailing and binding equipment, photography and 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. If you are not required to report communication tower and land improvement costs on Form 4452, you must report such costs in Section N of this form. See STC Bulletin 13 of 2006 and the instructions for Form 4452. Other assets may be included at a later time.

Completion of Section E, Page 2: 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.

Completion of Section F, Page 2: 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.

Cost Grand Total, Page 2: After you have completed sections A through F, add together the totals of cells A1 through F1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 2 and carry to page 1, line 10a.

Section G , Page 3: 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, Page 3: Standard tools, dies, jigs, fixtures, molds, patterns and gauges and other manufacturing requisites of a similar nature (commonly referred to as "tooling") will be valued at an amount equal to the net book value of the asset. Report both Acquisition Cost New and GAAP net book value by year of acquisition in this section. See the instructions for line 1 for information regarding the tooling that is assessable. For purposes of personal property reporting, net book value shall be as determined using generally accepted accounting principles, in a manner consistent with the taxpayer's established methods of depreciation. The net book value for federal income tax purposes shall not be used for purposes of personal property tax reporting. If an accounting change in estimate is indicated relating to a particular asset, the net book value of that asset, as reported for personal property assessment purposes, shall be the value that would have existed for that asset on December 31, 2013 if a correct estimate had originally been made. Your obligation to implement the change in estimate for personal property reporting purposes shall not be affected by a determination that no financial accounting change in estimate is necessary due to lack of materiality. In no event shall assessable tooling be reported at an amount less than is indicated by its expected remaining useful life plus salvage value (if applicable under the depreciation method used).

Section I, Page 3: 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.

Section J, Page 3: 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.

Section K, Page 3: 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.

Cost Grand Total, Page 3: After you have completed sections G through K, add together the totals of cells G1 through K1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 3 and carry to line 11a on page 1.

Section L, Page 4: This section is to be completed by leasing companies and others who lease personal property to others. In addition to completing this section, you must complete sections A through F and any other sections that are applicable. You may use attachments rather than completing this section, but only if your attachment provides all the information requested on this section and if you insert the total original selling price where required on the form.

Section M, Page 4: 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 form. See the instructions for page 1, line 5 for additional explanation.

Section N, Page 4: 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.

Section O, Page 4: 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. See instructions for page 1, line 5.

Cost Grand Total, Page 4: After you have completed sections M and N, add together the totals of cells M1 and N1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 4 and carry to line 12a on page 1.

***NOTE:** MCL 211.19 states that personal property statements must be completed and delivered on or before February 20 of each year.