

## **Bennett, Victor**

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**From:** Sarah Miller [Millersj@michigan.gov]  
**Sent:** Tuesday, February 01, 2011 8:39 AM  
**To:** Bennett, Victor  
**Subject:** Tax Liability

Mr. Bennett,

We looked into your issue regarding the lease and spoke with our State Tax Commission (STC) regarding this matter. The STC has a rule # 209.56 that states

"The commission shall not grant a certificate for real property covered under an industrial facilities tax exemption certificate that is leased unless the lessee is responsible for the property tax liability of the property for the length of the certificate"

The STC has stated that this responsibility means that the IFT holder must be directly responsible for paying the taxes to the local unit. In your lease, it says that the lessee must pay taxes as additional rent and the lessee does not receive the tax bill themselves. In order for this to qualify there would need to be language in the lease (triple net lease for example) that says something like this "the lessee is directly responsible for paying the property taxes to the local unit of government" and they must be billed directly.

Please contact me if you have any further questions.

Thanks!

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