



TAX ABATEMENT GUIDELINES CITY OF TAYLOR

Introduction

This document is designed to summarize the policies and procedure adopted by the City of Taylor, with regard to establishment of new and expanded industrial facilities under Act 198 of the Public Acts of 1974, as amended.

Act 198, the Plant Rehabilitation and Industrial Development Districts Act, was adopted in the State of Michigan as a means of providing industry a stimulus to create and maintain jobs in the form of significant tax incentives. It allows new plants to receive a 50 percent exemption from property tax on the taxable value of new real and personal properties for a maximum period of 12 years.

The responsibility of the City Council for the City of Taylor is to establish industrial development districts and to approve the granting of exemption certificates. The Council must find that the granting of the exemption certificate, when considered together with other certificates previously granted, will not substantially impede the operation of the local government unit or impair the financial soundness of the taxing unit prior to the granting of the certificate.

Eligible Facilities

Facilities eligible for tax abatement include plants which primarily manufacture or process goods or materials by physical change and related facilities of Michigan manufacturers such as offices, engineering, research and development. Eligible industrial property may also include high-technology activity such as advanced computing, advanced material, biotechnology, electronic device technology, engineering or laboratory testing, medical device technology, product research and development, and advance vehicles technology.

A \$1,000 application fee must be submitted with any tax abatement application.

Questions concerning Act 198 tax exemption certificates can be directed to the Economic Development Office, City of Taylor, 23555 Goddard Road, Taylor, MI 48180. The telephone number is (734) 287-6550.

Goals and Objectives

The City Council for the City of Taylor will evaluate all Act 198 applications in light of the following goals and objectives.

- To expand the City of Taylor's tax base.
- To encourage development that will increase the economic vitality of the industrial districts.
- To create and retain employment from existing industrial facilities that might otherwise leave the Community.
- To assist in the rehabilitation of older facilities and/or expansions of existing industrial facilities.
- To enhance the general attractiveness of the Community.
- The applicant meets current financial obligations to the City, is in compliance with all applicable state and City codes and ordinances and has no pending or current litigation against City of Taylor, including appeals to the Michigan Tax Tribunal.

The above mentioned goals and objectives are not intended to be exhaustive. The City Council reserves the discretion to consider such additional goals and criteria as are consistent with the interests of the City of Taylor.

Criteria for Granting Industrial Facilities Exemption Certificates

Section 16 of Public Act 198 of 1974 provides that the legislative body of the local governmental unit shall determine the duration of an Industrial Facilities Exemption Certificate (tax abatement). The City Council shall make this determination based the following criteria.

The City Council retains discretionary power for the final determination and is not bound to using only the following when acting on a specific abatement request.

Abatements are offered primarily for new facilities and expansions only. The City Council may, under separate criteria, consider the tax abatement option for companies requesting an abatement on personal property only, up to a maximum of 5 years. The City Council does not offer an abatement for a speculative building. Processing facilities which are primarily engaged in packaging for distribution shall not be eligible for an abatement.

The certificate may be revoked in the event that the purposes for which the certificate was issued are not being fulfilled, as a result of failure of the holder to proceed in good faith with the replacement, restoration or construction or operation of the replacement facility or new facility, or with the use of the speculative building as a manufacturing facility in a manner consistent with the purposes of Public Act 198 of 1974.