



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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DATE: June 28, 2005

TO: Assessors
Equalization Directors

FROM: State Tax Commission (STC)

SUBJECT Calculating and Applying the “Headlee Rollback” to Millages Levied Against Property Located in a Renaissance Zone

It has come to the attention of the State Tax Commission that mistakes are sometimes being made with regard to the question of whether the “Headlee Rollback” should be applied to millages levied on property located in a Renaissance Zone.

While generally speaking, qualified property located in a Renaissance Zone is exempt from the levy of most operating millages, there are some exceptions:

- 1) The Enhancement Millage levied by an Intermediate School District as authorized by Michigan Compiled Laws (MCL) 380.705 shall be levied against property located in a Renaissance Zone.
- 2) The Sinking Fund Millage levied by a local school district as authorized by MCL 380.1212 shall be levied against property located in a Renaissance Zone.

When these millages **are** levied against property located in a Renaissance Zone, the taxable value of the property located in the Renaissance Zone **SHALL BE INCLUDED** in the calculation of the “Headlee Rollback” required by MCL 211.34d.

Conversely, for millages that are **not** levied against property located in a Renaissance Zone, the taxable value of the property located in the Renaissance Zone **SHALL BE EXCLUDED** from the calculation of the “Headlee Rollback”.