

THE BATTLE CREEK TOWER

RENAISSANCE ZONE *Virtually Tax Free!*

"In 1999, the State of Michigan designated several areas near Battle Creek's Central Business District as tax-free Renaissance Zones. A tax-free Renaissance Zone is an area that has been designated virtually tax free, up to 15 years, for any business or resident presently in or moving to a zone. The taxes from which the business or resident are exempt include single business tax, state personal income tax, 6-mill state education tax, local personal property tax, local real property tax, and local income tax.

Residential Tax Benefits

Most state and local taxes for individuals are abated in the Renaissance Zones. The tax benefits are phased out at 25% increments during the zone's final three years of existence. Property owners are still responsible for property taxes levied to pay for local bonded indebtedness, school sinking funds, and special assessments. The following state and local taxes are abated for businesses located in a Renaissance Zone:

Property Taxes

Local Real Property Taxes - General property taxes on land and homes are nearly 100% abated.

Personal Property - Personal property owned by individuals is 100% exempt under Michigan's property tax system.

6-mill State Education Tax (SET) - The state property tax levy for schools is 100% abated. This amount is included in your local property tax bill.

Local units of government handle the property tax abatement differently. To find out how to claim the abatement for property taxes, contact the local assessor's office for the Renaissance Zone.

State and Local Taxes

State Personal Income Tax

Individuals living in a Renaissance Zone are exempt from paying the state personal income tax.

Local Income Tax - City personal income taxes, if applicable in the zone, are 100% abated.

To be eligible for the Renaissance Zone tax benefits, a taxpayer residing in a Renaissance Zone must:

1. Not be delinquent in state income tax or substantially delinquent as defined by the local unit of government in property taxes or city income taxes
2. File an annual state and local income tax return, as appropriate
3. File a form prescribed by the Renaissance Zone community for local income tax and/or other purposes

Residential rental property must be in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, or codes. The residential rental property owner must file an affidavit before December 31 in the immediately preceding tax year with the local tax collecting unit; the affidavit must confirm that the residential rental property is in substantial compliance with all building and housing codes.

More information about claiming the Renaissance Zone benefits may be obtained from the zone's local treasurer's office."

-<http://www.michigan.org/medc/services/sitedevelopment/renzone/residentialtax/index.asp>

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