

BORDER COUNTY INCENTIVES

OVERVIEW

Eligible businesses that locate in a county that borders another state or Canada may qualify for special tax incentives under [P.A. 198 of 1974 \(as amended\)](#) and [P.A. 328 of 1998 \(as amended\)](#). Eligible counties include Berrien, Branch, Cass, Chippewa, Dickinson, Gogebic, Hillsdale, Iron, Lenawee, Menominee, Monroe, St. Clair, St. Joseph, and Wayne.

P.A. 198: NEW WAREHOUSING, DISTRIBUTION AND LOGISTIC FACILITIES IN BORDER COUNTIES

In addition to other eligible facilities, a new warehouse, distribution, or logistic facility that locates in an eligible border county may receive a 50% reduction in property taxes through [P.A. 198 of 1974 \(as amended\)](#). The local unit of government is responsible for approving this incentive for one to twelve years. If approved, the eligible facility will pay roughly half of the taxes through an Industrial Facilities Exemption (IFE) instead of ad valorem property taxes.

In order to qualify for this incentive, at least 90% of the facility, excluding the surrounding green space, must be used for warehousing, distribution, or logistic purposes and occupy a building or structure of at least 100,000 square feet in size.

To apply for the incentive, the qualifying facility must create an Industrial Development District for their property and submit an application. The local unit of government is responsible for establishing the district, approving the abatement, and facilitating the application process.

The State Tax Commission, with written consent of the Michigan Economic Development Corporation, has the ultimate authority to issue an IFE certificate. A separate fact sheet ([Industrial Property Tax Abatement, P.A. 198](#)) is available about the details of P.A. 198.

P.A. 328: 100% PERSONAL PROPERTY TAX ABATEMENTS IN BORDER COUNTIES

Eligible businesses that locate in a border county and receive approval from the Michigan State Treasurer and President of the Michigan Strategic Fund may receive a 100% personal property tax abatement on new investment. The business must locate in a local governmental unit that is served by at least four of the following services: water, sewer, police, fire, trash, recycling.

Businesses may apply for the exemption through their eligible local governmental unit. Before granting the abatement, the Michigan State Treasurer and the President of the Michigan Strategic Fund will consider a number of factors, including: (1) whether if granting the exemption is a net benefit to Michigan, (2) whether the investment would not occur without the exemption, and (3) whether there is no significant negative effect on employment in other parts of this state as a result of the exemption. A separate fact sheet ([Personal Property Tax Relief in Distressed Communities, P.A. 328](#)) is available about the details of P.A. 328.

For more information, contact the Michigan Economic Development CorporationSM (MEDC) Customer Assistance Center at 517.373.9808.