Reset Form

Michigan Department of Treasury
5278 (Rev. 08-25)

Parcel Number

2026

Eligible Manufacturing Personal Property Tax Exemption Claim, and Report of Fair Market Value of Qualified New and Previously Existing Personal Property (Combined Document)

Issued under authority of PA 206 of 1893 and PA 92 of 2014, as amended. Filing is mandatory in order to claim the Eligible Manufacturing Personal Property tax exemption.

DO NOT COMPLETE THIS COMBINED DOCUMENT UNLESS THE PERSONAL PROPERTY MEETS THE DEFINITION OF ELIGIBLE MANUFACTURING PERSONAL PROPERTY. Eligible Manufacturing Personal Property (EMPP) means all personal property located on occupied real property if that personal property is predominantly used in industrial processing or direct integrated support. For personal property that is construction in progress and part of a new facility not in operation, EMPP means all personal property that is part of that new facility if that personal property will be predo minantly used in industrial processing when the facility becomes operational.

Qualified new and qualified previously existing personal property (as defined by MCL 211.9m and 211.9n) for which an exemption has been properly claimed is exempt from local property tax. To claim this exemption, **a fully completed Form 5278** must be **delivered to** the assessor of the local unit of government in which the qualified personal property is located, **postmarked no later than February 20, 2026. Failure to complete the required certification, personal property statement, and report of fair market value on Form 5278 may result in the claim being denied.** Claiming this exemption when not entitled to it can result in significant penalties.

Important Note: Leasing companies are not eligible to receive the exemption under MCL 211.9m and MCL 211.9n and may not use this Combined Document. A lessee and lessor may elect that the lessee report leased personal property on this Combined Document by completing the Election of Lessee Report of Eligible Manufacturing Personal Property (Form 5467) and attaching it to this form. Absent such an election, the personal property must be reported by the lessor on the personal property statement (Form 632).

PART 1: ELIGIBLE MANUFACTURING PERSONAL PROPERTY TAX EXEMPTION CLAIM

To claim this exemption you must fully complete the entire Combined Document, including the required certification, and report of fair market value. A separate Form 5278 must be filed for each parcel number.

Taxpayer Information

Federal Employer Identification Number (FEIN)	Taxpayer Name Associated with this FEIN
–	Primary Occupant Name, if other than Taxpayer Name

Assumed names, if any, used by legal entity (attach list if necessary):

Contact Person Name	Contact E-mail Address	Contact Telephone Number

Contact St. No.	Contact Street Name or PO Box	Contact City	State	ZIP Code	Country

Printed Name of Person in Charge of Records	Telephone Number	Address where records are retained

Personal Property Location Information

Parcel Number of Personal Property claimed as Eligible Manufacturing Personal Property

NOTE: If the property is located **within a city**, complete the City and County fields below. If located **within a township but not within a village**, complete the Township and County fields. If the property is located **within a village**, complete the Township, Village, and County fields.

City	Township	Village	County

Street Address where personal property is located	City	State	ZIP Code

List all **real** property parcel numbers where the personal property reported on this form is located (attach list as necessary)

CERTIFICATION

1. I certify that I own, lease or otherwise occupy the real property on which the eligible manufacturing personal property is located, or I am the sole proprietor, partner, officer, managing member or the duly authorized agent of the owner, lessee or occupant (agent must attach letter of authority).
2. I certify that the personal property for which an exemption is claimed pursuant to this Combined Document is Eligible Manufacturing Personal Property as defined by MCL 211.9m and the personal property for which an exemption is being claimed meets the more than 50% requirement of being predominately used in industrial processing or direct integrated support and therefore qualifies or will qualify for exemption under MCL 211.9m or MCL 211.9n.
3. I certify my understanding that according to Public Act 92 of 2014, as amended, I am required to provide access to the books and records, for audit purposes, relating to the location and description; the date of purchase, lease, or acquisition; and the purchase price, lease amount, or value of all personal property owned by, leased by, or in the possession of that person or a related entity if requested by the assessor of the township or city, county equalization department, or Michigan Department of Treasury for the year in which the statement is filed and the immediately preceding 3 years.
4. I certify my understanding that to qualify for the EMPP exemption on this parcel, I must electronically certify an ESA statement and make electronic payment of any ESA liability by the statutory deadline of August 15, 2026, and that failure to pay ESA liability and applicable late payment penalty via ACH, EFT, or e-file by the statutory deadline of April 15, 2027, will result in rescission of this exemption. I understand that Public Act 92 of 2014 prohibits payment of ESA liability by check.
5. I hereby certify that all the information contained within and attached to this Combined Document is true and accurate to the best of my knowledge, information and belief.

Signature	Date	**Assessor Use Only - Date of Receipt**

Printed Name	

Title	

Continue on Page 2

PART 2: Report of Fair Market Value (Acquisition Cost) of Qualified New and Previously Existing Personal Property

Qualified new personal property and qualified previously existing personal property located on occupied real property is exempt from local ad valorem taxation and is instead subject to the Essential Services Assessment (ESA), payable to the Michigan Department of Treasury. **See instructions, page 2.**

☐ Check if there is **zero acquisition cost** reported in the total in Part 2, Section B, below. **Unless this box is checked, failure to report acquisition cost in Section B may result in rescission of the EMPP exemption for this parcel.**

☐ Check if the personal property reported on this form includes **leased personal property** for which the election of lessee report is being filed. The taxpayer must complete the *Election of Lessee Report of Eligible Manufacturing Personal Property* (Form 5467) and include it with this copy of Form 5278 when filed with the local tax collecting unit.

Section A: Summary and Reporting Instructions for Essential Services Assessment

Provide a yes or no answer to all questions. The Acquisition Cost [MCL 211.1053(a)(i)] for all personal property must be reported in Section B below.

1. Is the personal property reported on this Combined Document subject to an Industrial Facilities Exemption Certificate (P.A. 198 of 1974) that went into effect prior to December 31, 2012? If yes, attach a copy of the IFT certificate..... ☐ Yes ☐ No

IFT Certificate Number: Y Y Y Y — | Certificate Begin Date | Certificate End Date

NOTE: The IFT Certificate Number is typically seven digits, although some may also have an additional character that is entered in the dotted field. Otherwise, leave the dotted box blank.

2. Is the personal property reported on this Combined Document subject to a P.A. 328 (MCL 211.9f) New Personal Property exemption?
If yes, attach a copy of the P.A. 328 certificate..... ☐ Yes ☐ No

P.A. 328 Certificate Number: — Y Y Y Y | Certificate Begin Date | Certificate End Date

3. Is the personal property reported on this Combined Document exempt from the Essential Services Assessment, and either subject to or exempt from an Alternative Essential Services Assessment, as a result of a resolution adopted under provisions of MCL 211.1059 by the Michigan Strategic Fund (MSF)? If yes, attach a copy of the MSF resolution.. ☐ Yes ☐ No

MSF Certificate Number: Y Y Y Y — | Certificate Begin Date | Certificate End Date

4. Is the personal property reported on this Combined Document subject to a Renaissance Zone Exemption?..... ☐ Yes ☐ No

Renaissance Zone Name	Expiration Date

Section B: Report of Acquisition Cost

Report of Qualified New Personal Property (MCL 211.9m) and Qualified Previously Existing Personal Property (MCL 211.9n). For purposes of reporting in this section, "Acquisition cost" means 100% of the fair market value of personal property at the time of acquisition by the first owner, including the cost of freight, sales tax, and installation, and other capitalized costs, except capitalized interest, prior to any reduction of Fair Market Value provided for by statute. Report Construction in Progress (CIP) as defined in MCL 211.9m(6)(c) in this part of the Document. For Construction in Progress, Acquisition Cost includes the cost of freight, sales tax, and installation. (See instructions for more information on Construction in Progress.)

Year Placed in Service	**Acquisition Cost** [MCL 211.1053(a)(i)]	**Year Placed in Service**	**Acquisition Cost** [MCL 211.1053(a)(i)]
Construction in Progress		2020	
2025		2019	
2024		2018	
2023		2017	
2022		2016	
2021		2015 and Prior	
TOTAL ACQUISITION COST FOR ALL YEARS LISTED HERE IN SECTION B			

Instructions for Form 5278

Eligible Manufacturing Personal Property Tax Exemption Claim, and Report of Fair Market Value of Qualified New and Previously Existing Personal Property (Combined Document)

NOTE: A section on term definitions is included at the end of these instructions.

What's New for 2025

If the EMPP exemption was granted in 2025, no claim is required to receive the exemption in 2026 unless the parcel is under a new FEIN or has been moved to a different local unit. You will not need to file a Form 5278 with the local unit for any changes other than FEIN or local unit. All amendments will be made on the ESA Statement (via MTO or e-file).

- The EMPP exemption is granted by the local unit in which the parcel is located. If the equipment is moved to another local unit, prior to December 31, 2025, a Form 5277 will need to be filed with the previous local unit by February 20, 2026. A Form 5278 will also need to be filed with the current local unit, listing the new parcel number, by February 20, 2026, to claim the EMPP exemption.
- The EMPP exemption is granted under the FEIN of the business that claims the parcel. If the parcel is moved or sold to another company prior to December 31, 2025, a Form 5277 will need to be filed by the previous company with the local unit by February 20, 2026. The new company will need to file a Form 5278 by February 20, 2026, to claim the EMPP exemption.
- All qualified new and previously existing personal property first placed in service inside or outside of the state is now EMPP and, if the exemption is granted, exempt from local property taxation. Exempt EMPP is instead subject to the Essential Services Assessment (ESA).
- The filing deadline to claim the exemption on previously non-exempt parcels is February 20, 2026, with all forms postmarked by that date being considered timely filed. If the February 20, 2026, deadline is missed, eligible claimants may file Form 5278 with the March Board of Review prior to its adjournment.
- If a parcel no longer qualifies for the EMPP exemption and the taxpayer wishes to rescind, a Form 5277 Affidavit to Rescind Eligible Manufacturing Personal Property Exemption will need to be filed by February 20, 2026 along with a personal property statement.
- Full electronic payment of the 2026 Essential Services Assessment must be received no later than August 15, 2026. If payment is not received in full by August 15, a late payment penalty at a rate of 3% of the unpaid balance per month, up to a maximum of 27%, will incur. In calculating the penalty, a partial month is considered a whole month and will not be prorated based on the day the late payment is received by the Department of Treasury.
- If electronic payment of the 2026 Essential Services Assessment and late payment penalty is not received in full by April 15, 2027, the Department of Treasury is required to rescind the claimant's eligible personal property exemption(s).

General Instructions

This Combined Document (Form 5278) may only be used by those claiming the Eligible Manufacturing Personal Property (EMPP) exemption. The Combined Document (Form 5278) only needs to be filed if the EMPP was not granted the exemption in the immediately preceding year, if the parcel is under a new FEIN, or has moved to a new local unit. Taxpayers should review the Assessor's Guide to Eligible Manufacturing Personal Property and ESA and ESA Topics available online at **www.michigan.gov/ESA** for more information on what is EMPP. Claims on previously non-exempt eligible personal property must be made by completing this form in its entirety for each parcel and filing it in the local unit in which the property is located by February 20, 2026. Eligible claimants who did not file by February 20, 2026, may file Form 5278 to the 2026 March Board of Review prior to final adjournment of their March meeting. Taxpayers not claiming the EMPP exemption should not use this Combined Document, but should file the Personal Property Statement (Form 632) with their local tax collecting unit.

Leasing companies are not eligible to receive the exemption for qualified new personal property and qualified previously existing personal property and may not use this Combined Document. With respect to personal property that is the subject of a lease agreement, regardless of whether the agreement constitutes a lease for financial or tax purposes, if the personal property is or will be Eligible Manufacturing Personal Property, the lessee and lessor may elect that the lessee report the leased personal property on this Combined Document and be responsible for any Essential Services Assessment liability that results.

To elect for the lessee to report the leased personal property, at least some, but not necessarily all, personal property subject to the lease agreement must be Eligible Manufacturing Personal Property as defined in MCL 211.9m and MCL 211.9n. The Election of Lessee Report of Eligible Manufacturing Personal Property (Form 5467) must also be attached to this Combined Document at the time it is filed with the local tax collecting unit.

If election is made, property subject to the lease agreement must be reported on Part 2 of this Combined Document, as applicable.

All State Tax Commission Bulletins and Forms referenced in these instructions can be accessed at **www.michigan.gov/PPT** or **www.michigan.gov/ESA**.

Part 1: Claim of Eligible Manufacturing Personal Property

This section must be filled out in its entirety in order to qualify for the exemption. This includes the local unit information, property owner information and certification. Partially completed forms may not be accepted by the local unit and your failure to fully complete the Combined Document may result in denial of the exemption.

Personal Property Location Information: The parcel

number for the personal property being claimed as EMPP must be provided. If no number exists, contact the assessor of the local unit in which the personal property is located and request that a number be assigned. List the local unit of government in which the property is assessed. Only one field, in addition to the County field, should be entered unless the claimed personal property is located in a village, in which case both the village and township should be listed. Certification of the Form indicates understanding that the certification and payment of ESA must be performed electronically. No tax bill will be sent by Treasury and no ESA return or payment will be accepted by mail.

Instructions for Part 2: Essential Services Assessment Statement Instructions

For further information, all State Tax Commission Bulletins and Forms referenced in these instructions are available at **www.michigan.gov/ESA** or **www.michigan.gov/PPT**.

Summary and Reporting Instructions for Essential Services Assessment

Provide a yes or no answer to all questions. If a yes answer is provided, the acquisition costs for that eligible personal property must be reported as indicated by the instructions. A list of all applicable certification numbers for this parcel must be attached to this form.

Check the leased personal property box only if Form 5467 is attached to this Form 5278 when filed.

Number 1: Qualified new or previously existing personal property exempt under MCL 211.9m or MCL 211.9n and that was subject to an Industrial Facilities Exemption Certificate (P.A. 198) that was in effect on or after December 31, 2012, must be designated in this part including the certificate number. Attach a copy of the IFT certificate or other official documentation. IFT certificate numbers are assigned by the State Tax Commission upon approval and consist of a four digit year and a unique three-digit number, separated by a dash. Certificates that have been amended by the State Tax Commission may also include a letter (typically "a") following the seven digits.

NOTE: IFT certificates with a begin date after December 31, 2012, do not receive any benefit in the calculation of ESA liability.

Number 2: Personal property subject to an MCL 211.9f (P.A. 328) exemption that was in effect on or after December 31, 2012, must be designated in this section including the certificate number. Attach a copy of the P.A. 328 certificate or other official documentation. P.A. 328 certificate numbers are assigned by the State Tax Commission upon approval and consist of a unique three-digit number followed by a four digit year, separated by a dash.

Number 3: Personal property that is exempt from the Essential Services Assessment and either subject to or exempt from the Alternative Essential Services Assessment as a result of a resolution issued under provisions of MCL 211.1061 by the Michigan Strategic Fund beginning in 2016 (MCL 211.1059) must be designated in this part. Attach a copy of the MSF resolution.

Number 4: Personal property subject to a Renaissance Zone exemption must be designated in this part including the name of the Renaissance Zone.

Report of Qualified New Personal Property (MCL 211.9m) and Qualified Previously Existing Personal Property (MCL 211.9n)

Report 100% of the Eligible Personal Property's Fair Market Value at the time of acquisition by the first owner for all years. There is a rebuttable presumption that the acquisition price paid by the first owner for personal property, and any costs of freight, sales tax, and installation, and other capitalized costs, except capitalized interest, reflect the acquisition cost. The cost of freight, sales tax and installation must be included. Other capitalized costs, except capitalized interest must be reported. Construction in Progress (CIP), as defined in MCL 211.9m(86)(c), is reported on the separate "Construction in Progress" line.

EMPP claimants should not adjust the fair market value to address deductions related to valid IFT certificates, Renaissance Zones, Construction in Progress, or the property's status as idle or obsolete equipment.

NOTE: If the EMPP claimed on this combined document is approved by the local tax collecting unit, the information reported on Form 5278 will be transmitted to the Michigan Department of Treasury. By May 1, the Department of Treasury shall generate an electronic statement for each eligible claimant for calculation of the Essential Services Assessment. This statement is available through the Michigan Treasury Online (MTO) website at **www.mto.treasury.michigan.gov**. To receive the EMPP exemption, the eligible claimant is required to certify and electronically pay the ESA tax liability shown on that certified statement. This ESA Statement is only available online and will not be mailed or otherwise transmitted to the claimant. Similarly, no invoice or tax bill will be mailed or issued to EMPP exemption claimants indicating the amount of ESA liability due. To maintain the EMPP exemption for 2026 and avoid late penalties, each taxpayer is required to certify this ESA Statement and pay the full ESA liability by August 15, 2026. Payments not received by August 15 begin to accrue penalty at the rate of 3% per month or part of a month to a maximum of 27%. If 2026 is the claimant's first assessment year, the penalty shall be waived if the statement and full payment are submitted by September 15. No waiver of late payment penalty is available to claimants who filed in 2025 or prior.

In accordance with statutory requirements, an eligible claimant can pay the ESA tax and any late payment penalty by using MTO, Electronic Funds Transfer (EFT) credit, or e-file no later than April 15, 2027. Payments cannot be mailed to Treasury.

Detailed instructions on how to navigate MTO, as well as additional information regarding the EMPP exemption, ESA tax, and approved electronic filing and payment methods, are available on the ESA Web site at **www.michigan.gov/ESA**. Claimants and professionals providing services to claimants are encouraged to sign up for the ESA listserv to receive pertinent information regarding EMPP and ESA as well as reminders of important dates.

The State Essential Services Assessment Act (P.A. 92 of 2014, as amended) requires taxpayers claiming an EMPP exemption to file and certify an ESA statement and electronically submit payment of their ESA liability in full by August 15 to avoid late payment penalties. If a certified statement and full payment (including late payment penalties) are not received by April 15, 2027, Treasury is required to rescind the claimant's EMPP exemption.

NOTE: If an EMPP exemption is rescinded, the taxpayer will become liable for taxes to the local tax collecting unit.

Definitions for Terms in Form 5278

Acquisition cost means the fair market value of personal property at the time of acquisition by the first owner, including the cost of freight, sales tax, and installation, and other capitalized costs, except capitalized interest. There is a rebuttable presumption that the price paid by the first owner reflects the acquisition cost. MCL 211.1053(a)(i). For property subject to an IFT certificate effective before January 1, 2013 that is not yet expired acquisition cost means half of the fair market value of that personal property at the time of acquisition by the first owner, including the cost of freight, sales tax, and installation, and other capitalized costs, except capitalized interest.

Construction in Progress means all personal property that is part of that new facility if that personal property will be predominantly used in industrial processing when the facility becomes operational. For property that is construction in progress, "acquired by" means the year the property is first reported on the Combined Document in the report of the fair market value and year of acquisition by the first owner of qualified new personal property or qualified previously existing personal property [MCL 211.1053(a)(ii)].

Direct Integrated Support is defined as:

(i) Research and development related to goods produced in industrial processing and conducted in furtherance of that industrial processing.

(ii) Testing and quality control functions related to goods produced in industrial processing and conducted in furtherance of that industrial processing.

(iii) Engineering related to goods produced in industrial processing and conducted in furtherance of that industrial processing.

(iv) Receiving or storing equipment, materials, supplies, parts, or components for industrial processing, or scrap materials or waste resulting from industrial processing, at the industrial processing site or at another site owned or leased by the owner or lessee of the industrial processing site.

(v) Storing of finished goods inventory if the inventory was produced by a business engaged primarily in industrial processing and if the inventory is stored either at the site where it was produced or at another site owned or leased by the business that produced the inventory.

(vi) Sorting, distributing, or sequencing functions that optimize transportation and just-in-time inventory management and material handling for inputs to industrial processing [MCL 211.9m(6)(b)].

Eligible Manufacturing Personal Property (EMPP) means all personal property located on **occupied real property** if that personal property is predominantly used in industrial processing or direct integrated support. For personal property that is construction in progress and part of a new facility not in operation, EMPP means all personal property that is part of that new facility if that personal property will be predominantly used in industrial processing when the facility becomes operational. Personal property that is not owned, leased or used by the person who owns or leases occupied real property where the personal property is located is not EMPP unless the personal property is located on the occupied real property to carry on a current on-site business activity. Personal property that is placed on occupied real property solely to qualify the personal property for an exemption under 9m or 9n is not EMPP. For additional information regarding EMPP, refer to MCL 211.9m and the State Tax Commission's "Assessor's Guide to Eligible Manufacturing Personal Property and ESA" [MCL 211.9m(6)(c)].

Eligible Personal Property (for purposes of the Essential Services Assessment) means personal property exempt under MCL 211.9m or 211.9n or personal property that is EMPP (defined in MCL 211.9m) that is exempt under a P.A. 328 (MCL 211.9f) which was approved in 2014, unless the application for the exemption was filed with the eligible local assessing district or Next Michigan development corporation before August 5, 2014, and the resolution approving the exemption states that the project is expected to have total new personal property of over $25,000,000.00 within 5 years of the adoption of the resolution by the eligible local assessing district or Next Michigan development corporation.

Essential Services Assessment Act is an act to levy a tax on eligible manufacturing personal property exempt under MCL 211.9m or MCL 211.9n; to provide for the administration, collection, and distribution of the tax; to impose certain duties on persons and certain state departments; to impose penalties; and to repeal acts and parts of acts. (MCL 211.1051 - 211.1061)

Industrial Processing is defined in MCL 205.54t and

MCL 205.94o: "Industrial processing" means the activity of converting or conditioning tangible personal property by changing the form, composition, quality, combination, or character of the property for ultimate sale at retail or for use in the manufacturing of a product to be ultimately sold at retail or to be affixed to and made a structural part of real estate located in another state or for other named purposes. Industrial processing begins when tangible personal property begins movement from raw materials storage to begin industrial processing and ends when finished goods first come to rest in finished goods inventory storage. Industrial processing does not include the generation, transmission, or distribution of electricity for sale.

NOTE: Utility personal property as described in section 34c(3)(e) and personal property used in the generation, transmission, or distribution of electricity for sale are not eligible manufacturing personal property.

NOTE: Personal property used in the generation, transmission, or distribution of electricity for sale is not eligible manufacturing personal property.

Occupied Real Property is defined by statute in MCL 211.9m(6)(g) as:

(i) A parcel of real property that is entirely owned, leased, or otherwise occupied by a person claiming an exemption under section 9m or 9n.

(ii) Contiguous parcels of real property that are entirely owned, leased, or otherwise occupied by a person claiming an exemption under section 9m or 9n and that host a single, integrated business operation engaged primarily in industrial processing, direct integrated support, or both. A business operation is not engaged primarily in industrial processing, direct integrated support, or both if it engages in significant business activities that are not directly related to industrial processing or direct integrated support. Contiguity is not broken by a boundary between local tax collecting units, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. As used in this subparagraph, "single, integrated business operation" means a company that combines 1 or more related operations or divisions and operates as a single business unit.

(iii) The portion of a parcel of real property that is owned, leased, or otherwise occupied by a person claiming the exemption under section 9m or 9n or by an affiliated person.

Qualified New Personal Property is defined as personal property that was initially placed in service in this state or outside of the state after December 31, 2012, or that was construction in progress on or after December 31, 2012, that had not been placed in service in this state or outside of this state before 2013 and is eligible manufacturing personal property [MCL 211.9m(6)(j)].

Qualified Previously Existing Personal Property means personal property that was first placed in service within this state or outside of this state more than 10 years before the current calendar year and is eligible manufacturing personal property [MCL 211.9n(5)(c)].