

Real and Personal Property Taxes	Who Receives the Interest, Penalty or Fee?		
What Can or Should Be Imposed?	Summer Collection (WITH school millage)	Summer Collection (NO school millage)	Winter Collection
<p><b>1% Interest per Month (Required)</b> The township MUST impose 1% interest on summer taxes not deferred for each month or portion of a month that the tax is late. (MCLs 211.905b(11), 211.59, 380.1612(2), 211.44a(5), 211.78a(3))</p> <p>The township MUST impose 1% interest on deferred summer taxes paid after February 14 and before March 1. (Interest is NOT imposed on deferred taxes paid before February 15.)</p> <p>A township board MAY choose to waive by resolution the interest on certain properties or on certain deferred summer taxes from February 15 until the taxes become delinquent. (MCL 211.44(3)) The property owner must present a copy of their homestead property tax form and must not have received the property tax credit before February 15.</p> <p>Interest on the SET portion MUST go to the state. (MCL 211.905b(11)) The interest imposed on the taxes of other levying units MUST also be paid to those units.</p>	<p>State / Schools</p>	<p>State</p>	<p>Not Applicable</p>
<p><b>3% Penalty (Optional)</b> The township board MAY choose to impose by resolution a 3% late penalty on taxes paid after February 14 and before March 1. (NOT imposed on deferred taxes paid before February 15.) The penalty is collected ONLY before March 1. (MCL 211.44(3)) The 3% late penalty may be imposed only if the tax bills were mailed prior to December 31.</p> <p>A township board MAY choose to waive by resolution the 3% late penalty on certain deferred summer taxes or properties. (MCL 211.44(3))</p>	<p>Township (or other collecting unit)</p> <p>State: (the 3% penalty imposed on the SET portion)</p>	<p>Township (or other collecting unit)</p> <p>State: (the 3% penalty imposed on the SET portion)</p>	<p>Township</p>
<p><b>Interest Earned on Tax Collections</b> INTEREST FOLLOWS PRINCIPAL, unless the levying unit has waived the interest by written agreement. In that case, the township retains the earned interest. (MCL 211.43(12)) MCL 211.43c specifically authorizes the collecting unit to keep the earned interest on the SET collection.</p>	<p>Levying Unit, unless waived</p> <p>SET: Township (or other collecting unit)</p>	<p>Levying Unit, unless waived</p> <p>SET: Township (or other collecting unit)</p>	<p>Levying Unit, unless waived</p>
<p><b>Up to 1% Property Tax Administration Fee (PTAF)</b> A township board MAY impose by resolution a Property Tax Administration Fee of up to 1% on all property taxes, including the SET. (MCLs 211.905b(11) and 211.44(3)) The PTAF may be imposed on all summer taxes or all winter taxes or on both summer and winter taxes.</p>	<p>Township</p>	<p>Township</p>	<p>Township</p>
<p>If a school district, ISD or county collects a school summer operating millage because the township and the school district or ISD were unable to negotiate an agreement to collect (MCL 380.1613), then the unit that collects MUST ALSO collect the SET and the county operating millage. (MCLs 211.905(4) and 211.44a(1)) The collecting unit MUST impose the PTAF in the amount that the township would have imposed (up to 1%). The collecting unit retains 20% and MUST pay 80% to the township. (MCL 211.44(3) and (7))</p>	<p>Collecting unit 20% Township 80%</p>		