



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF LABOR & ECONOMIC GROWTH
KEITH W. COOLEY, DIRECTOR

LINDA A. WATTERS
COMMISSIONER

DATE: August 1, 2007
LETTER NO.: 2007-CU-05
TO: The Board of Directors and Management of Michigan State-Chartered Credit Unions
SUBJECT: Personal Property Tax

The purpose of this letter is to reiterate the tax exempt status of Michigan state-chartered credit unions as provided under Section 105 of the Michigan Credit Union Act (MCUA).

The Office of Financial and Insurance Services (OFIS) has been informed that certain municipalities and other political subdivisions, such as townships, have attempted to impose personal property tax liability on state-chartered credit unions. As shown below, Section 105 of the MCUA clearly exempts Michigan state-chartered credit unions from such taxation.

490.105 Domestic credit union; exemption from tax; exception; stock transfer tax.

Sec. 105.

A domestic credit union is exempt from taxation by this state or a political subdivision of this state except property taxes on real property. The shares of a domestic credit union are not subject to a stock transfer tax when issued by the credit union or when transferred from 1 member to another.

History: 2003, Act 215, Eff. June 1, 2004

The board of directors of each Michigan state-chartered credit union should review and retain a copy of this letter, which is also posted on the OFIS website at:

www.michigan.gov/ofiscreditunion.

Questions regarding this letter may be directed to the Credit Union Division at 517-373-6930.

Sincerely,

Roger W. Little, Deputy Commissioner
Credit Union Division