



HOUSE BILL No. 5340

February 15 1994 Introduced by Reps Palamara Anthony Freeman Profit O Neill Porreca, Griffin Agee, Baade DeMars Varga Yokich Parks Stallworth Dobronski Llewellyn Willard Cropsey Byrum Rivers Kaza Olshove Harder Curtis, Wetters Barns Walberg Rocca Bullard Randall Dolan Mathieu Gilmer Allen Brackenridge Middaugh Points Johnson McBryde Owen Schroer Keith Berman Gire Pitoniak Gubow Richard A Young, Gagliardi Whyman Galloway Vorva Kukuk Jamian Hill Rhead Bodem Jersevic Bobier Lowe McManus Goschka Ciaramitaro Oxender Martin Weeks Leland Bender London Nye Hood Murphy Bankes Sikkema Crissman Saunders Wallace Jaye and Bennane and referred to the Committee on Taxation

A bill to amend section 4 of Act No 331 of the Public Acts of 1993, entitled

"State education tax act,

being section 211 904 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 4 of Act No 331 of the Public Acts of
2 1993, being section 211 904 of the Michigan Compiled Laws, is
3 amended to read as follows

4 Sec 4 (1) If the sales tax is levied at a rate of 4%
5 under the sales tax act, the education finance authority is
6 created

7 (2) The education finance authority is a public corporate
8 body and is an authority under section 6 of article IX of the
9 state constitution of 1963

1 (3) The authority has all the powers necessary to carry out
2 the purposes of this act including, but not limited to, the
3 following

4 (a) To levy the tax described in section 5

5 (b) To distribute the proceeds of the tax

6 (4) The governing body of the authority shall be the educa-
7 tion finance authority board consisting of the state treasurer,
8 the auditor general and the superintendent of public
9 instruction The board has all the powers necessary to carry out
10 the purposes of this act, including, but not limited to, the
11 following

12 (a) To assure the collection of the tax

13 (b) To facilitate the receipt by the authority, and distri-
14 bution of the proceeds, of the tax

15 (5) Beginning in 1994, the authority shall levy an education
16 finance authority tax on all property not exempt under subsection
17 (6), not exempt by law from ad valorem property taxes or not
18 subject to a tax levied under Act No 282 of the Public Acts of
19 1905, being sections 207 1 to 207 21 of the Michigan Compiled
20 Laws, levied at a rate of 12 mills

21 (6) Property that is used as a homestead by the owner of the
22 property is exempt from the tax under subsection (5) as long as
23 the property is used as a homestead by the owner if the owner of
24 the property claims an exemption as provided in this section

25 (7) ~~The~~ EXCEPT AS PROVIDED FOR 1994 IN THIS SECTION, THE
26 owner of property may claim an exemption under this section by
27 filing before March 1 every 2 years an affidavit with the local

1 tax collecting unit in which the property is located stating that
2 the property is owned and occupied as a homestead by the owner of
3 the property The affidavit shall be on a form prescribed and
4 provided by the department of treasury IN 1994 ONLY, AN OWNER
5 SHALL FILE THE AFFIDAVIT BEFORE MAY 1, 1994 IF AN OWNER FAILS
6 TO FILE THE AFFIDAVIT BEFORE THE APPLICABLE DATE UNDER THIS SEC-
7 TION, THE OWNER MAY FILE AN APPEAL WITH THE DEPARTMENT OF TREA-
8 SURY BEFORE OCTOBER 1 ON A FORM PRESCRIBED AND PROVIDED BY THAT
9 DEPARTMENT THE DEPARTMENT OF TREASURY SHALL IMMEDIATELY DETER-
10 MINE IF THE OWNER IS ELIGIBLE FOR THE EXEMPTION UNDER THIS ACT
11 IF THE OWNER IS ELIGIBLE, THE DEPARTMENT OF TREASURY BEFORE
12 NOVEMBER 1 SHALL NOTIFY THE LOCAL TAX COLLECTING UNIT TO REFLECT
13 THE EXEMPTION ON THE TAX ROLL AND DEDUCT ANY TAX ERRONEOUSLY PAID
14 IN A SUMMER COLLECTION

15 (8) Upon receipt of the notice of certification, the local
16 tax collecting unit shall exempt the property from collection of
17 the tax under this act for the period of exemption under this act
18 or until the property is transferred or the owner rescinds the
19 claim for exemption on a form prescribed and provided by the
20 department of treasury The owner of the property shall rescind
21 the claim for exemption on a form prescribed and provided by the
22 department of treasury when the property is no longer used as a
23 homestead by the owner

24 (9) The local tax collecting unit shall forward all affida-
25 vits to the department of treasury The department of treasury
26 shall determine if the property is the homestead of the owner
27 If the department of treasury determines that the property is not

1 the homestead of the owner, the department shall send a notice to
2 the local tax collecting unit and to the owner of the property
3 The local tax collecting unit shall then place the property back
4 on the tax roll for the collection of the tax The notice to the
5 owner shall include a statement that the determination was made
6 that the property was not the homestead of the owner and that the
7 owner may appeal the determination directly to the tax tribunal,
8 without an appeal to the board of review, within 35 days after
9 the date of the notice

10 (10) If the homestead is part of a unit in a multiple-unit
11 dwelling or a dwelling unit in a multiple-unit structure, the
12 owner shall claim a portion of the total state equalized valua-
13 tion that is to be considered the homestead and the department of
14 treasury shall prescribe the manner in which the calculation
15 shall be made

16 (11) If a person claims an exemption to which the person is
17 not entitled, the department of treasury shall assess the tax
18 with penalties and interest according to the provisions of ~~the~~
19 ~~revenue act,~~ Act No 122 of the Public Acts of 1941, being
20 sections 205 1 to 205 31 of the Michigan Compiled Laws