



SENATE BILL No. 481

March 9, 1993, Introduced by Senators CHERRY, WARTNER,
MC MANUS, POLLACK and O'BRIEN and referred to the
Committee on Finance.

A bill to amend sections 524 and 530 of Act No. 281 of the
Public Acts of 1967, entitled
"Income tax act of 1967,"
section 524 as amended by Act No. 254 of the Public Acts of 1987
and section 530 as amended by Act No. 480 of the Public Acts of
1982, being sections 206.524 and 206.530 of the Michigan Compiled
Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 524 and 530 of Act No. 281 of the
2 Public Acts of 1967, section 524 as amended by Act No. 254 of the
3 Public Acts of 1987 and section 530 as amended by Act No. 480 of
4 the Public Acts of 1982, being sections 206.524 and 206.530 of
5 the Michigan Compiled Laws, are amended to read as follows:

6 Sec. 524. (1) ~~IF~~ EXCEPT AS PROVIDED IN SUBSECTION (3), IF
7 the amount of the property taxes used as a basis for the

1 COMPUTATION OF THE HOMESTEAD AND RENTERS PROPERTY TAX credit,
2 ~~computation~~ PROVIDED FOR IN THIS CHAPTER differs from the prop-
3 erty tax liability incurred and paid by the taxpayer for the tax
4 year, the credit for the ensuing year shall be adjusted by the
5 amount of the difference.

6 (2) ~~If~~ EXCEPT AS PROVIDED IN SUBSECTION (3), IF homestead
7 property subject to ad valorem taxes is sold or transferred
8 during the tax year, the respective amounts of THE HOMESTEAD AND
9 RENTERS PROPERTY TAX credit ~~shall be~~ IS based on the ratio of
10 days that the property was the claimant's homestead to the total
11 number of days in the tax year.

12 (3) IF THERE IS A SALE OF HOMESTEAD PROPERTY FOR WHICH THE
13 TAXPAYER IS RESPONSIBLE FOR A PORTION OF ANNUAL AD VALOREM PROP-
14 ERTY TAXES LEVIED DURING THE 12 MONTHS IMMEDIATELY PRECEDING THE
15 SALE, THE TAXPAYER MAY CLAIM THESE PROPERTY TAXES FOR THE PURPOSE
16 OF DETERMINING A HOMESTEAD AND RENTERS PROPERTY TAX CREDIT IN THE
17 YEAR IN WHICH THE TAXES ARE PAID IN ADDITION TO ANY OTHER PROP-
18 ERTY TAXES THE TAXPAYER IS ELIGIBLE TO CLAIM IN THE COMPUTATION
19 OF THE CREDIT.

20 Sec. 530. (1) The department may require reasonable proof
21 from the claimant ~~in support~~ of rent paid, property taxes paid,
22 household income, size and nature of the property claimed as a
23 homestead, or any other information required for the administra-
24 tion of this chapter.

25 (2) If a homestead is occupied for less than a 12-month
26 period, the credit computation shall be proportional to the
27 period of occupancy. A claimant shall not occupy more than 1

1 homestead at 1 time. ~~-If-~~ EXCEPT AS PROVIDED IN SECTION 524, IF
2 more than 1 homestead is occupied during the tax year, the credit
3 computation shall be proportional to the period of occupancy of
4 each homestead, but not for a total period of more than 1 year.

5 (3) If unoccupied land is used for agricultural or horticult-
6 tural purposes by the claimant, the credit ~~-shall be-~~ IS allowed
7 only if the gross receipts of the agricultural or horticultural
8 operations exceed the household income. ~~-as defined in this~~
9 ~~act.-~~

10 (4) A claim ~~-shall not be-~~ IS NOT allowed if the department
11 finds that the claimant received title to the homestead primarily
12 for the purpose of receiving benefits under this chapter.

13 (5) The amount of a claim otherwise payable may be applied
14 by the department against a liability outstanding on the books of
15 the state against the claimant.