

**HOUSE BILL NO. 5393**

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 522 (MCL 206.522), as amended by 1996 PA  
484.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 522. (1) The amount of a claim made pursuant to this  
2 chapter shall be determined as follows:

3       (a) A claimant is entitled to a credit against the state  
4 income tax liability equal to 60% of the amount by which the  
5 property taxes on the homestead, or the credit for rental of the  
6 homestead for the tax year, exceeds 3.5% of the claimant's house-  
7 hold income for that tax year.

8       (b) A claimant who is a senior citizen or a paraplegic,  
9 hemiplegic, or quadriplegic AND FOR TAX YEARS THAT BEGIN AFTER  
10 DECEMBER 31, 1999, A CLAIMANT WHO IS TOTALLY AND PERMANENTLY

1 DISABLED OR DEAF is entitled to a credit against the state income  
 2 tax liability for the amount by which the property taxes on the  
 3 homestead, the credit for rental of the homestead, or a service  
 4 charge in lieu of ad valorem taxes as provided by section 15a of  
 5 the state housing development authority act of 1966, ~~Act No. 346~~  
 6 ~~of the Public Acts of 1966, being section 125.1415a of the~~  
 7 ~~Michigan Compiled Laws~~ 1966 PA 346, MCL 125.1415A, for the tax  
 8 year exceeds the percentage of the claimant's household income  
 9 for that tax year computed as follows:

10

11 Household income	Percentage
12 Not over \$3,000.00	.0%
13 Over \$3,000.00 but not over \$4,000.00	1.0%
14 Over \$4,000.00 but not over \$5,000.00	2.0%
15 Over \$5,000.00 but not over \$6,000.00	3.0%
16 Over \$6,000.00	3.5%

17 (c) ~~A~~ FOR A TAX YEAR THAT BEGINS BEFORE JANUARY 1, 2000, A  
 18 claimant who is totally and permanently disabled is entitled to a  
 19 credit against the state income tax liability equal to 60% of the  
 20 amount by which the property taxes on the homestead, or the  
 21 credit for rental of the homestead or for a service charge in  
 22 lieu of ad valorem taxes as provided in section 15a of ~~Act~~  
 23 ~~No. 346 of the Public Acts of 1966~~ THE STATE HOUSING DEVELOPMENT  
 24 AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1415A, for the tax  
 25 year, exceeds the percentage of the claimant's household income  
 26 for that tax year based on the schedule in subdivision (b).

1       (d) A claimant who is an eligible serviceperson, eligible  
2 veteran, or eligible widow or widower is entitled to a credit  
3 against the state income tax liability for a percentage of the  
4 property taxes on the homestead for the tax year not in excess of  
5 100% determined as follows:

6       (i) Divide the taxable value allowance specified in section  
7 506 by the taxable value of the homestead or, if the eligible  
8 serviceperson, eligible veteran, or eligible widow or widower  
9 leases or rents a homestead, divide 17% of the total annual rent  
10 paid for tax years before the 1994 tax year, or 20% of the total  
11 annual rent paid for tax years after the 1993 tax year on the  
12 property by the property tax rate on the property.

13       (ii) Multiply the property taxes on the homestead by the  
14 percentage computed in subparagraph (i).

15       (e) A claimant who is blind is entitled to a credit against  
16 the state income tax liability for a percentage of the property  
17 taxes on the homestead for the tax year determined as follows:

18       (i) If the taxable value of the homestead is \$3,500.00 or  
19 less, 100% of the property taxes.

20       (ii) If the taxable value of the homestead is more than  
21 \$3,500.00, the percentage that \$3,500.00 bears to the taxable  
22 value of the homestead.

23       (2) A person who is qualified to make a claim under more  
24 than 1 classification shall elect the classification under which  
25 the claim is made.

1       (3) Only 1 claimant per household for a tax year is entitled  
2 to the credit, unless both the husband and wife filing a joint  
3 return are blind, then each shall be considered a claimant.

4       (4) As used in this section, "totally and permanently  
5 disabled" means disability as defined in section 216 of title II  
6 of the social security act, 42 U.S.C. 416.

7       (5) A senior citizen who has a total household income for  
8 the tax year of \$6,000.00 or less and who for 1973 received a  
9 senior citizen homestead exemption under former section 7c of the  
10 general property tax act, Act No. 206 of the Public Acts of 1893,  
11 may compute the credit against the state income tax liability for  
12 a percentage of the property taxes on the homestead for the tax  
13 year determined as follows:

14       (a) If the taxable value of the homestead is \$2,500.00 or  
15 less, 100% of the property taxes.

16       (b) If the taxable value of the homestead is more than  
17 \$2,500.00, the percentage that \$2,500.00 bears to the taxable  
18 value of the homestead.

19       (6) For a return of less than 12 months, the claim shall be  
20 reduced proportionately.

21       (7) The commissioner may prescribe tables that may be used  
22 to determine the amount of the claim.

23       (8) The total credit allowed in this section for each year  
24 after December 31, 1975 shall not exceed \$1,200.00 per year.

25       (9) The total credit allowable under this act and part 361  
26 ~~—(farmland and open space preservation)—~~ of the natural resources  
27 and environmental protection act, ~~Act No. 451 of the Public Acts~~

1 ~~of 1994, being sections 324.36101 to 324.36117 of the Michigan~~  
2 ~~Compiled Laws~~ 1994 PA 451, MCL 324.36101 TO 324.36117, shall not  
3 exceed the total property tax due and payable by the claimant in  
4 that year. The amount by which the credit exceeds the property  
5 tax due and payable shall be deducted from the credit claimed  
6 under part 361 of ~~Act No. 451 of the Public Acts of 1994~~ THE  
7 NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451,  
8 MCL 324.36101 TO 324.36117.