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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
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HB4044 AS INTRODUCED

Sponsor
Committee

Rep. Douglas Bovin
TAX POLICY

Analyst(s) Stansell, Jim

Completed 2/20/01

State Fiscal Impact

Cost	None
Revenues	Decrease

Local Fiscal Impact

Cost	None
Revenues	Decrease

House Bill 4044 would amend the general property tax act to such that new construction that will be used by or used to assist in the care of a family member who is 62 years old or older or is totally and permanently disabled would not be subject to property taxes.

Because the number of taxpayers that would tax advantage of HB4044 and the amount of taxable value that would be exempt are not known, it is not possible to determine an explicit cost. However, Census data suggests that there are approximately 1.7 million residents in Michigan who are either 62 or older, or disabled. If even one percent qualify under the provisions of HB4044, the potential revenue loss (assuming an additional \$5,000 of taxable value per person would be exempt) could approach \$4 million. The loss to the state (via the SET) would be about \$530,000.

In addition, if more than one percent were to qualify and/or the amount of taxable value that is held exempt were to increase, the resulting revenue loss would also increase.