

House Bill 4660
Sponsor: Rep. Jim Plakas
Committee: Tax Policy

Complete to 3-11-02

A SUMMARY OF HOUSE BILL 4660 AS INTRODUCED 4-24-01

With some exceptions, under Michigan's school financing system, homesteads (owner-occupied principal residences) are exempt from local school property taxes. To receive an exemption, a homeowner needs to file an affidavit with the local tax collecting unit by May 1. Once in place, the exemption remains until the property is transferred or ceases to be a homestead; homeowners need not file each year. However, a homeowner who owns and occupies property as of May 1 can also obtain an exemption by going to the July or December board of review in the year for which the exemption is claimed or in the immediately succeeding year. (Property occupied after May 1 is not eligible for an exemption until the next year.)

House Bill 4660 would amend the General Property Tax Act to allow a person who owned and occupied a homestead on May 1 in any tax year, but whose homestead exemption was not on the tax roll, to go the local board of review in July or December to claim the exemption in the year for which the exemption was claimed or in any succeeding year. The bill would apply to taxes levied after December 31, 1994. If the exemption was granted, the appropriate tax roll would be corrected, and if granting the exemption resulted in an overpayment of the tax, a rebate would be made to the taxpayer.

Currently, for example, a homeowner who occupied a homestead as of May 1, 2002 could seek the exemption for 2002 from the local board of review in 2002 or 2003, if the exemption was not already on the tax roll. Under the bill, the homeowner could seek the exemption in 2002 or in any subsequent year. Under the bill, moreover, a person apparently could still seek an exemption for a homestead for any tax year after 1994.

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Analyst: C. Couch

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