

HOMESTEAD PROPERTY TAX CREDIT; SPECIAL ASSESSMENTS



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FISCAL ANALYSIS

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HOUSE BILL 6069 SUBSTITUTE H-2

Sponsor: Rep. Brian Palmer

House Committee: Tax Policy

FLOOR ANALYSIS - 11/13/02

Analyst(s): Jim Stansell

SUMMARY

House Bill 6069 would amend the Income Tax Act by expanding the definition of property taxes paid when calculating the homestead property tax credit. Under current law, special assessments that are not based on taxable value or are not applied to the entire taxing jurisdiction are not included as property taxes that can be claimed for the credit. HB6069 would include these types of special assessments.

Based on information provided by the Department of Treasury, there are approximately \$11 million of special assessments currently in effect. However, because of the way the homestead property tax credit is calculated, the fiscal impact of including these special assessments in the property tax base would be to increase the credit (and thus decrease income tax revenues) by about \$1.25 million.