

Fiscal Analysis

PROPERTY TAX DEFERRAL



Bill/Sponsor **HOUSE BILL 4705 (H-1), Rep. Sal Rocca**

House Committee Senior Health, Security and Retirement

Analysis

Summary

House Bill 4705 would amend the Property Tax Act by increasing the income threshold at which seniors are allowed to defer summer property taxes until winter from \$25,000 to 35,000.

Fiscal Impact

Since the property taxes in question are ultimately received, the actual fiscal impact would be limited primarily to foregone interest that the funds could have generated. However, the potentially greater issue is that of cash flow, especially for local units.

Based on information provided by the Department of Treasury, increasing the income threshold from \$25,000 to \$35,000 would result in an additional \$21 million in deferred property tax payments.

Since these payments, which would normally be due in September, will not be received until the following February, this could create a problem for local units, most significantly during the first year of the change.

Analyst(s)

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FLOOR ANALYSIS - 11/24/03

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