

**HOMESTEAD CREDIT: COUNT  
CERTAIN SPECIAL ASSESSMENTS**

**House Bill 4008**  
**Sponsor: Rep. Brian Palmer**  
**Committee: Tax Policy**

**Complete to 2-7-03**

**A SUMMARY OF HOUSE BILL 4008 AS INTRODUCED 1-8-03**

Under the Income Tax Act, a taxpayer may claim a credit against the income tax for the amount by which property taxes on his or her homestead exceed certain levels. For purposes of calculating the homestead property tax credit, the term "property tax" is defined as general ad valorem taxes levied on a homestead, including property tax administration fees, but not including penalties, interest, or special assessments *unless assessed in the entire city, village, or township*, and based on state equalized value or taxable value.

House Bill 4008 would amend the Income Tax Act so that special assessments levied for police, fire, and advanced life support could be counted in the amount of property taxes and special assessments paid when calculating the homestead property tax credit (without regard to whether or not they were assessed in the entire city, village, or township and without regard to the value on which they were based). Other kinds of special assessments could still only be counted toward the homestead credit if assessed in the entire city, village, or township and based on state equalized valuation or taxable value.

MCL 206.512

**House Bill 4008 (2-7-03)**

Analyst: C. Couch

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