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RAISE HOMESTEAD CREDIT CAP FOR TAX PAYERS OVER 70

House Bill 4023

Sponsor: Rep. Gary Woronchak

Committee: Tax Policy

Complete to 9-11-03

A SUMMARY OF HOUSE BILL 4023 AS INTRODUCED 1-28-03

The Income Tax Act provides taxpayers with a homestead credit against the income tax. Generally, the credit is equal to 60 percent of the amount by which the taxpayer's property taxes exceed 3.5 percent of the taxpayer's household income. A larger credit is available for taxpayers in certain categories, including senior citizens. The credit is capped at \$1,200. The bill would increase the cap for tax years beginning after December 31, 2002 to \$1,800 for taxpayers who are over 70 years of age on the last day of the tax year.

MCL 206.520 and 206.552

House Bill 4023 (9-11-03)

Analyst: M. Wolf

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.