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INCREASE HOMESTEAD PROPERTY TAX CREDIT

House Bill 4442

Sponsor: Rep. Aldo Vagnozzi

Committee: Tax Policy

Complete to 3-26-03

A SUMMARY OF HOUSE BILL 4442 AS INTRODUCED 3-25-03

The Income Tax Act provides that a taxpayer may claim a tax credit against the income tax based on the amount of property taxes paid in excess of a certain percentage of his or her household income. For most taxpayers the credit is equal to 60 percent of the amount by which property taxes exceed 3.5 percent of the taxpayer's household income, with a higher credit available to certain individuals such as senior citizens, the disabled, and veterans. However, the amount of the credit is limited to \$1,200. The bill would increase the maximum tax credit to \$1,500 for tax years that begin after December 31, 2002.

MCL 206.520 and 522

House Bill 4442 (3-26-03)

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.