

HOUSE BILL No. 6709

November 19, 2008, Introduced by Rep. Meekhof and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 254.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 254. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2008, A TAXPAYER THAT SELLS HIS OR HER PROPERTY THAT IS HIS OR HER
3 PRINCIPAL RESIDENCE TO THE STATE OR A POLITICAL SUBDIVISION OF THE
4 STATE OR WHOSE PROPERTY THAT IS HIS OR HER PRINCIPAL RESIDENCE IS
5 TAKEN FOR PUBLIC USE UNDER THE POWER OF EMINENT DOMAIN IN
6 ACCORDANCE WITH THE LAWS OF THIS STATE MAY CLAIM A CREDIT AGAINST
7 THE TAX IMPOSED BY THIS ACT IN AN AMOUNT DETERMINED BY SUBTRACTING
8 THE TAXABLE VALUE FROM THE STATE EQUALIZED VALUE, MULTIPLYING THAT
9 AMOUNT BY THE TOTAL PROPERTY TAX MILLAGE RATE APPLICABLE TO THE

1 PROPERTY TAKEN, AND MULTIPLYING THAT RESULT BY THE NUMBER OF YEARS
2 THE TAXPAYER OWNED THE PRINCIPAL RESIDENCE, BUT NOT MORE THAN 15
3 YEARS.

4 (2) IF THE AMOUNT OF THE CREDIT EXCEEDS THE TAX LIABILITY OF
5 THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE CREDIT THAT
6 EXCEEDS THE TAX LIABILITY SHALL NOT BE REFUNDED.

7 (3) AS USED IN THIS SECTION:

8 (A) "PRINCIPAL RESIDENCE" MEANS THAT TERM AS DEFINED UNDER
9 SECTION 7DD OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL
10 211.7DD, AND EXEMPT FROM TAXATION UNDER SECTION 7CC OF THE GENERAL
11 PROPERTY TAX ACT, 1893 PA 206, MCL 211.7CC.

12 (B) "TAXABLE VALUE" MEANS THAT VALUE DETERMINED UNDER SECTION
13 27A OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.27A.