

Legislative Analysis



TAX EXEMPTION FOR PRINCIPAL RESIDENCE OF QUALIFIED DISABLED VETERANS

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House Bill 4348

Sponsor: Rep. David Agema

Committee: Tax Policy

Complete to 9-18-12

A SUMMARY OF HOUSE BILL 4348 AS INTRODUCED 3-1-11

The bill would exempt the principal residence of a qualified disabled veteran from property taxes.

A principal residence under the General Property Tax Act is owner-occupied residential property. Such property is exempt from the 18-mill local school operating levy but pays the 6-mill State Education Tax and other local taxes. Typically, a homeowner is only entitled to one residence designated as a principal residence.

Under the bill, a "qualified disabled veteran" is a veteran who is totally and permanently disabled as a result of a service-connected disability, and a surviving spouse. A "service-connected disability" would be defined to refer to a disability incurred or aggravated in the line of duty in the active military (naval, marine, coast guard, or air service). To qualify an individual must have been discharged or released with an honorable discharge.

Proposed MCL 211.700

FISCAL IMPACT:

The bill would result in a minimal reduction in property taxes.

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