



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 606 (Substitute S-1 as reported)
Sponsor: Senator Mike Shirkey
Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to allow an individual to continue to claim a principal residence exemption if he or she were deployed or stationed elsewhere for active duty as a member of the United States Armed Forces while satisfying certain conditions; and allow a member of the Armed Forces who owned a principal residence while deployed to file an appeal when an exemption was not on the tax roll.

The Act exempts an individual's principal residence from the tax levied by a school district for school operating purposes, to the extent provided in the Revised School Code.

The bill would allow an owner of property who previously occupied it as his or her principal residence to continue to retain the exemption on that property if he or she were deployed or stationed elsewhere for active duty as a member of any branch of the United States Armed Forces, as long as he or she established an intent to return to that property by satisfying all of the following conditions:

- The owner continued to own the property while deployed or stationed elsewhere for active duty.
- The owner had not established a new principal residence.
- The owner maintained or provided for the maintenance of the property while deployed or stationed elsewhere for active duty.
- The property was not occupied; was not leased, except as otherwise allowed; and was not used for any business or commercial purpose.

MCL 211.7cc

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. According to the Department of Treasury, the Act is interpreted currently to extend the principal residence exemption to active duty service members stationed elsewhere. There also is an existing exception that allows active duty service members deployed elsewhere to retain the principal residence exemption while renting the residence to another person for three years, if the property would otherwise qualify as a principal residence and the owner attests that it is his or her intent to return to the dwelling as a principal residence at the conclusion of active duty.

Date Completed: 2-8-16

Fiscal Analyst: Elizabeth Pratt