

**SUBSTITUTE FOR
HOUSE BILL NO. 4370**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending sections 51, 520, and 522 (MCL 206.51, 206.520, and
206.522), section 51 as amended by 2012 PA 223, section 520 as
amended by 2011 PA 273, and section 522 as amended by 2013 PA 206.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 51. (1) For receiving, earning, or otherwise acquiring
2 income from any source whatsoever, there is levied and imposed
3 under this part upon the taxable income of every person other than
4 a corporation a tax at the following rates in the following
5 circumstances:

6 (a) Before May 1, 1994, 4.6%.

7 (b) After April 30, 1994 and before January 1, 2000, 4.4%.

8 (c) For tax years that begin on and after January 1, 2000 and

1 before January 1, 2002, 4.2%.

2 (d) For tax years that begin on and after January 1, 2002 and
3 before January 1, 2003, 4.1%.

4 (e) On and after January 1, 2003 and before July 1, 2004,
5 4.0%.

6 (f) On and after July 1, 2004 and before October 1, 2007,
7 3.9%.

8 (g) On and after October 1, 2007 and before October 1, 2012,
9 4.35%.

10 (h) Beginning on and after October 1, 2012, 4.25%.

11 ~~—— (2) The following percentages of the net revenues collected~~
12 ~~under this section shall be deposited in the state school aid fund~~
13 ~~created in section 11 of article IX of the state constitution of~~
14 ~~1963.~~

15 ~~—— (a) Beginning October 1, 1994 and before October 1, 1996,~~
16 ~~14.4% of the gross collections before refunds from the tax levied~~
17 ~~under this section.~~

18 ~~—— (b) After September 30, 1996 and before January 1, 2000, 23.0%~~
19 ~~of the gross collections before refunds from the tax levied under~~
20 ~~this section.~~

21 (2) ~~(e)~~ Beginning January 1, 2000, that percentage of the
22 gross collections before refunds from the tax levied under this
23 section that is equal to 1.012% divided by the income tax rate
24 levied under this section **SHALL BE DEPOSITED IN THE STATE SCHOOL**
25 **AID FUND CREATED IN SECTION 11 OF ARTICLE IX OF THE STATE**
26 **CONSTITUTION OF 1963.**

27 (3) IN ADDITION TO THE DISTRIBUTION UNDER SUBSECTION (2), THE

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1 FOLLOWING AMOUNTS OF REVENUE COLLECTED UNDER THIS SECTION SHALL BE
 2 DEPOSITED INTO THE STATE TREASURY TO THE CREDIT OF THE MICHIGAN
 3 TRANSPORTATION FUND CREATED IN SECTION 10 OF 1951 PA 51, MCL
 4 247.660[, AND DISBURSED AS PROVIDED IN SECTION (10) (1) (K) OF 1951 PA 51,
 MCL 247.660]:

5 (A) BEGINNING OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019,
 6 \$150,000,000.00.

7 (B) BEGINNING OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020,
 8 \$325,000,000.00.

9 (C) BEGINNING OCTOBER 1, 2020 AND EACH OCTOBER 1 THEREAFTER,
 10 \$600,000,000.00.

11 (4) ~~(3)~~—The department shall annualize rates provided in
 12 subsection (1) as necessary. ~~for tax years that end after April 30,~~
 13 ~~1994.~~—The applicable annualized rate shall be imposed upon the
 14 taxable income of every person other than a corporation for those
 15 tax years.

16 (5) ~~(4)~~—The taxable income of a nonresident shall be computed
 17 in the same manner that the taxable income of a resident is
 18 computed, subject to the allocation and apportionment provisions of
 19 this part.

20 (6) ~~(5)~~—A resident beneficiary of a trust whose taxable income
 21 includes all or part of an accumulation distribution by a trust, as
 22 defined in section 665 of the internal revenue code, shall be
 23 allowed a credit against the tax otherwise due under this part. The
 24 credit shall be all or a proportionate part of any tax paid by the
 25 trust under this part for any preceding taxable year that would not
 26 have been payable if the trust had in fact made distribution to its
 27 beneficiaries at the times and in the amounts specified in section

1 666 of the internal revenue code. The credit shall not reduce the
2 tax otherwise due from the beneficiary to an amount less than would
3 have been due if the accumulation distribution were excluded from
4 taxable income.

5 (7) ~~(6)~~—The taxable income of a resident who is required to
6 include income from a trust in his or her federal income tax return
7 under the provisions of 26 USC 671 to 679, shall include items of
8 income and deductions from the trust in taxable income to the
9 extent required by this part with respect to property owned
10 outright.

11 (8) ~~(7)~~—It is the intention of this section that the income
12 subject to tax of every person other than corporations shall be
13 computed in like manner and be the same as provided in the internal
14 revenue code subject to adjustments specifically provided for in
15 this part.

16 (9) ~~(8)~~—As used in this section:

17 (a) "Person other than a corporation" means a resident or
18 nonresident individual or any of the following:

19 (i) A partner in a partnership as defined in the internal
20 revenue code.

21 (ii) A beneficiary of an estate or a trust as defined in the
22 internal revenue code.

23 (iii) An estate or trust as defined in the internal revenue
24 code.

25 (b) "Taxable income" means taxable income as defined in this
26 part subject to the applicable source and attribution rules
27 contained in this part.

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1 Sec. 520. (1) Subject to the limitations and the definitions
 2 in this chapter, a claimant may claim against the tax due under
 3 this part for the tax year a credit for the property taxes on the
 4 taxpayer's homestead deductible for federal income tax purposes
 5 pursuant to section 164 of the internal revenue code, or that would
 6 have been deductible if the claimant had not elected the zero
 7 bracket amount or if the claimant had been subject to the federal
 8 income tax. The property taxes used for the credit computation
 9 shall not be greater than the amount levied for 1 tax year. An
 10 owner is not eligible for a credit under this section if the
 11 taxable value of his or her homestead excluding the portion of a
 12 parcel of real property that is unoccupied and classified as
 13 agricultural for ad valorem tax purposes in the year for which the
 14 credit is claimed is greater than \$135,000.00 **[THROUGH THE 2021 TAX YEAR.
 BEGINNING WITH THE 2022 TAX YEAR AND EACH TAX YEAR AFTER 2022, THE
 TAXABLE VALUE CAP UNDER THIS SUBSECTION SHALL BE ADJUSTED BY THE
 PERCENTAGE INCREASE IN THE UNITED STATES CONSUMER PRICE INDEX FOR THE
 IMMEDIATELY PRECEDING CALENDAR YEAR. THE DEPARTMENT SHALL ANNUALIZE THE
 AMOUNT IN THIS SUBSECTION AS NECESSARY]**. As used in this
 15 subsection, "taxable value" means that value determined under
 16 section 27a of the general property tax act, 1893 PA 206, MCL
 17 211.27a.

18 (2) A person who rents or leases a homestead may claim a
 19 similar credit computed under this section and section 522 based
 20 upon ~~17% of the gross rent paid for tax years before the 1994 tax~~
 21 ~~year, or 20% of the gross rent paid for tax years after the 1993~~
 22 ~~tax year.~~ **BEFORE THE 2017 TAX YEAR, 21% OF THE GROSS RENT PAID FOR**
 23 **THE 2017 TAX YEAR, OR 23% OF THE GROSS RENT PAID FOR TAX YEARS**
 24 **AFTER THE 2017 TAX YEAR.** A person who rents or leases a homestead
 25 subject to a service charge in lieu of ad valorem taxes as provided
 26 by section 15a of the state housing development authority act of
 27 1966, 1966 PA 346, MCL 125.1415a, may claim a similar credit

1 computed under this section and section 522 based upon 10% of the
2 gross rent paid.

3 (3) If the credit claimed under this section and section 522
4 exceeds the tax liability for the tax year or if there is no tax
5 liability for the tax year, the amount of the claim not used as an
6 offset against the tax liability shall, after examination and
7 review, be approved for payment, without interest, to the claimant.
8 In determining the amount of the payment under this subsection,
9 withholdings and other credits shall be used first to offset any
10 tax liabilities.

11 (4) If the homestead is an integral part of a multipurpose or
12 multidwelling building that is federally aided housing or state
13 aided housing, a claimant who is a senior citizen entitled to a
14 payment under subsection (2) may assign the right to that payment
15 to a mortgagor if the mortgagor reduces the rent charged and
16 collected on the claimant's homestead in an amount equal to the tax
17 credit payment provided in this chapter. The assignment of the
18 claim is valid only if the Michigan state housing development
19 authority, by affidavit, verifies that the claimant's rent has been
20 so reduced.

21 (5) Only the renter or lessee shall claim a credit on property
22 that is rented or leased as a homestead.

23 (6) A person who discriminates in the charging or collection
24 of rent on a homestead by increasing the rent charged or collected
25 because the renter or lessee claims and receives a credit or
26 payment under this chapter is guilty of a misdemeanor.

27 Discrimination against a renter who claims and receives the credit

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1 under this section and section 522 by a reduction of the rent on
2 the homestead of a person who does not claim and receive the credit
3 is a misdemeanor. If discriminatory rents are charged or collected,
4 each charge or collection of the higher or lower payment is a
5 separate offense. Each acceptance of a payment of rent is a
6 separate offense.

7 (7) A person who received aid to families with dependent
8 children, state family assistance, or state disability assistance
9 pursuant to the social welfare act, 1939 PA 280, MCL 400.1 to
10 400.119b, in the tax year for which the person is filing a return
11 shall have a credit that is authorized and computed under this
12 section and section 522 reduced by an amount equal to the product
13 of the claimant's credit multiplied by the quotient of the sum of
14 the claimant's aid to families with dependent children, state
15 family assistance, and state disability assistance for the tax year
16 divided by the claimant's total household resources. The reduction
17 of credit shall not exceed the sum of the aid to families with
18 dependent children, state family assistance, and state disability
19 assistance for the tax year. For the purposes of this subsection,
20 aid to families with dependent children does not include child
21 support payments that offset or reduce payments made to the
22 claimant.

23 (8) ~~A~~ **FOR TAX YEARS BEFORE THE 2018 TAX YEAR, A** credit under
24 subsection (1) or (2) shall be reduced by 10% for each claimant
25 whose total household resources exceed \$41,000.00 and by an
26 additional 10% for each increment of \$1,000.00 of total household
27 resources in excess of \$41,000.00. **[EXCEPT AS OTHERWISE PROVIDED UNDER
THIS SUBSECTION, FOR] THE 2018 TAX YEAR AND EACH**

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1 TAX YEAR AFTER 2018, A CREDIT UNDER SUBSECTION (1) OR (2) SHALL BE

2 REDUCED BY 10% FOR EACH CLAIMANT WHOSE TOTAL HOUSEHOLD RESOURCES

3 EXCEED \$51,000.00 AND BY AN ADDITIONAL 10% FOR EACH INCREMENT OF

4 \$1,000.00 OF TOTAL HOUSEHOLD RESOURCES IN EXCESS OF \$51,000.00.

[BEGINNING WITH THE 2022 TAX YEAR AND EACH TAX YEAR AFTER 2022, THE
MAXIMUM TOTAL HOUSEHOLD RESOURCES PHASE-OUT AMOUNT ESTABLISHED UNDER THIS
SUBSECTION SHALL BE ADJUSTED BY THE PERCENTAGE INCREASE IN THE UNITED
STATES CONSUMER PRICE INDEX FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR.
THE DEPARTMENT SHALL ANNUALIZE THE AMOUNT IN THIS SUBSECTION AS
NECESSARY.]

5 (9) If the credit authorized and calculated under this section

6 and section 522 and adjusted under subsection (7) or (8) does not

7 provide to a senior citizen who rents or leases a homestead that

8 amount attributable to rent that constitutes more than 40% of the

9 total household resources of the senior citizen, the senior citizen

10 may claim a credit based upon the amount of total household

11 resources attributable to rent as provided by this section.

12 (10) A senior citizen whose gross rent paid for the tax year

13 is more than the percentage of total household resources specified

14 in subsection (9) for the respective tax year may claim a credit

15 for the amount of rent paid that constitutes more than the

16 percentage of the total household resources of the senior citizen

17 specified in subsection (9) and that was not provided to the senior

18 citizen by the credit computed pursuant to this section and section

19 522 and adjusted pursuant to subsection (7) or (8).

20 (11) The department may promulgate rules to implement

21 subsections (9) to (15) and may prescribe a table to allow a

22 claimant to determine the credit provided under this section and

23 section 522 in the instruction booklet that accompanies the

24 respective income tax or property tax credit forms used by

25 claimants.

26 (12) A senior citizen may claim the credit under subsections

27 (9) to (15) on the same form as the property tax credit permitted

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1 by subsection (2). The department shall adjust the forms
2 accordingly.

3 (13) A senior citizen who moves to a different rented or
4 leased homestead shall determine, for 2 tax years after the move,
5 both his or her qualification to claim a credit under subsections
6 (9) to (15) and the amount of a credit under subsections (9) to
7 (15) on the basis of the annualized final monthly rental payment at
8 his or her previous homestead, if this annualized rental is less
9 than the senior citizen's actual annual rental payments.

10 (14) For a return of less than 12 months, the claim for a
11 credit under subsections (9) to (15) shall be reduced
12 proportionately.

13 (15) ~~THE~~ **FOR TAX YEARS BEFORE THE 2018 TAX YEAR, THE** total
14 credit allowed by this section and section 522 shall not exceed
15 \$1,200.00 per year. **[EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION,**
16 **FOR] THE 2018 TAX YEAR AND EACH TAX YEAR AFTER**
17 **2018, THE TOTAL CREDIT ALLOWED BY THIS SECTION AND SECTION 522**
SHALL NOT EXCEED \$1,500.00 PER YEAR. [BEGINNING WITH THE 2022 TAX YEAR
AND EACH TAX YEAR AFTER 2022, THE MAXIMUM AMOUNT OF THE CREDIT ALLOWED
UNDER THIS SUBSECTION FOR THE IMMEDIATELY PRECEDING TAX YEAR SHALL BE
ADJUSTED BY THE PERCENTAGE INCREASE IN THE UNITED STATES CONSUMER PRICE
INDEX FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR. THE DEPARTMENT SHALL
ROUND THE AMOUNT TO THE NEAREST \$100.00 INCREMENT.

(16) AS USED IN THIS SECTION, "UNITED STATES CONSUMER PRICE INDEX"
MEANS THE UNITED STATES CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS AS
DEFINED AND REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF
LABOR STATISTICS.]

18 Sec. 522. (1) The amount of a claim made pursuant to this
19 chapter shall be determined as follows:

20 (a) A claimant who is not a senior citizen is entitled to a
21 credit against the state income tax liability under this part equal
22 to 60% of the amount by which the property taxes on the homestead,
23 or the credit for rental of the homestead for the tax year, exceeds
24 3.5% of the claimant's total household resources for ~~that tax~~
25 ~~year.~~ **TAX YEARS BEFORE THE 2017 TAX YEAR, 3.4% OF THE CLAIMANT'S**
26 **TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX YEAR, OR 3.2% OF THE**
27 **CLAIMANT'S TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR AND EACH**

1 **TAX YEAR AFTER 2018.**

2 (b) A claimant who is a senior citizen is entitled to a credit
3 against the state income tax liability under this part equal to the
4 following:

5 (i) For a claimant with total household resources of
6 \$21,000.00 or less, an amount as determined in accordance with
7 subdivision (c).

8 (ii) For a claimant with total household resources of more
9 than \$21,000.00 and less than or equal to \$22,000.00, an amount
10 equal to 96% of the difference between the property taxes on the
11 homestead or the credit for rental of the homestead for the tax
12 year and 3.5% of total household resources **FOR TAX YEARS BEFORE THE**
13 **2017 TAX YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX**
14 **YEAR, OR 3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR**
15 **AND EACH TAX YEAR AFTER 2018.**

16 (iii) For a claimant with total household resources of more
17 than \$22,000.00 and less than or equal to \$23,000.00, an amount
18 equal to 92% of the difference between the property taxes on the
19 homestead or the credit for rental of the homestead for the tax
20 year and 3.5% of total household resources **FOR TAX YEARS BEFORE THE**
21 **2017 TAX YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX**
22 **YEAR, OR 3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR**
23 **AND EACH TAX YEAR AFTER 2018.**

24 (iv) For a claimant with total household resources of more
25 than \$23,000.00 and less than or equal to \$24,000.00, an amount
26 equal to 88% of the difference between the property taxes on the
27 homestead or the credit for rental of the homestead for the tax

1 year and 3.5% of total household resources **FOR TAX YEARS BEFORE THE**
2 **2017 TAX YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX**
3 **YEAR, OR 3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR**
4 **AND EACH TAX YEAR AFTER 2018.**

5 (v) For a claimant with total household resources of more than
6 \$24,000.00 and less than or equal to \$25,000.00, an amount equal to
7 84% of the difference between the property taxes on the homestead
8 or the credit for rental of the homestead for the tax year and 3.5%
9 of total household resources **FOR TAX YEARS BEFORE THE 2017 TAX**
10 **YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX YEAR, OR**
11 **3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR AND EACH**
12 **TAX YEAR AFTER 2018.**

13 (vi) For a claimant with total household resources of more
14 than \$25,000.00 and less than or equal to \$26,000.00, an amount
15 equal to 80% of the difference between the property taxes on the
16 homestead or the credit for rental of the homestead for the tax
17 year and 3.5% of total household resources **FOR TAX YEARS BEFORE THE**
18 **2017 TAX YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX**
19 **YEAR, OR 3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR**
20 **AND EACH TAX YEAR AFTER 2018.**

21 (vii) For a claimant with total household resources of more
22 than \$26,000.00 and less than or equal to \$27,000.00, an amount
23 equal to 76% of the difference between the property taxes on the
24 homestead or the credit for rental of the homestead for the tax
25 year and 3.5% of total household resources **FOR TAX YEARS BEFORE THE**
26 **2017 TAX YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX**
27 **YEAR, OR 3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR**

1 AND EACH TAX YEAR AFTER 2018.

2 (viii) For a claimant with total household resources of more
3 than \$27,000.00 and less than or equal to \$28,000.00, an amount
4 equal to 72% of the difference between the property taxes on the
5 homestead or the credit for rental of the homestead for the tax
6 year and 3.5% of total household resources **FOR TAX YEARS BEFORE THE**
7 **2017 TAX YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX**
8 **YEAR, OR 3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR**
9 **AND EACH TAX YEAR AFTER 2018.**

10 (ix) For a claimant with total household resources of more
11 than \$28,000.00 and less than or equal to \$29,000.00, an amount
12 equal to 68% of the difference between the property taxes on the
13 homestead or the credit for rental of the homestead for the tax
14 year and 3.5% of total household resources **FOR TAX YEARS BEFORE THE**
15 **2017 TAX YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX**
16 **YEAR, OR 3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR**
17 **AND EACH TAX YEAR AFTER 2018.**

18 (x) For a claimant with total household resources of more than
19 \$29,000.00 and less than or equal to \$30,000.00, an amount equal to
20 64% of the difference between the property taxes on the homestead
21 or the credit for rental of the homestead for the tax year and 3.5%
22 of total household resources **FOR TAX YEARS BEFORE THE 2017 TAX**
23 **YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX YEAR, OR**
24 **3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR AND EACH**
25 **TAX YEAR AFTER 2018.**

26 (xi) For a claimant with total household resources of more
27 than \$30,000.00, an amount equal to 60% of the difference between

the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources **FOR TAX YEARS BEFORE THE 2017 TAX YEAR, 3.4% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2017 TAX YEAR, OR 3.2% OF TOTAL HOUSEHOLD RESOURCES FOR THE 2018 TAX YEAR AND EACH TAX YEAR AFTER 2018.**

(c) A claimant who is a senior citizen with total household resources of \$21,000.00 or less or a paraplegic, hemiplegic, or quadriplegic and for tax years that begin after December 31, 1999, a claimant who is totally and permanently disabled, deaf, or, for tax years that begin after December 31, 2012, blind is entitled to a credit against the state income tax liability for the amount by which the property taxes on the homestead, the credit for rental of the homestead, or a service charge in lieu of ad valorem taxes as provided by section 15a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1415a, for the tax year exceeds the percentage of the claimant's total household resources for that tax year computed as follows:

Total household resources	Percentage
Not over \$3,000.00	.0%
Over \$3,000.00 but not over \$4,000.00	1.0%
Over \$4,000.00 but not over \$5,000.00	2.0%
Over \$5,000.00 but not over \$6,000.00	3.0%
Over \$6,000.00 FOR TAX YEARS BEFORE	
THE 2017 TAX YEAR	3.5%
OVER \$6,000.00 FOR THE 2017 TAX YEAR	3.4%
OVER \$6,000.00 FOR TAX YEARS AFTER	
THE 2017 TAX YEAR	3.2%

1 (d) A claimant who is an eligible serviceperson, eligible
2 veteran, or eligible widow or widower is entitled to a credit
3 against the state income tax liability for a percentage of the
4 property taxes on the homestead for the tax year not in excess of
5 100% determined as follows:

6 (i) Divide the taxable value allowance specified in section
7 506 by the taxable value of the homestead or, if the eligible
8 serviceperson, eligible veteran, or eligible widow or widower
9 leases or rents a homestead, divide ~~17% of the total annual rent~~
10 ~~paid for tax years before the 1994 tax year, or 20% of the total~~
11 ~~annual rent paid for tax years after the 1993~~ **BEFORE THE 2017** tax
12 year, **21% OF THE TOTAL ANNUAL RENT PAID FOR THE 2017 TAX YEAR, OR**
13 **23% OF THE TOTAL ANNUAL RENT PAID FOR TAX YEARS AFTER THE 2017 TAX**
14 **YEAR** on the property by the property tax rate on the property.

15 (ii) Multiply the property taxes on the homestead by the
16 percentage computed in subparagraph (i).

17 (e) A claimant who is blind is entitled to a credit against
18 the state income tax liability for a percentage of the property
19 taxes on the homestead for the tax year determined as follows:

20 (i) If the taxable value of the homestead is \$3,500.00 or
21 less, 100% of the property taxes.

22 (ii) If the taxable value of the homestead is more than
23 \$3,500.00, the percentage that \$3,500.00 bears to the taxable value
24 of the homestead.

25 (2) A person who is qualified to make a claim under more than
26 1 classification shall elect the classification under which the
27 claim is made.

1 (3) Only 1 claimant per household for a tax year is entitled
2 to the credit, unless both the husband and wife filing a joint
3 return are blind, then each shall be considered a claimant.

4 (4) As used in this section, "totally and permanently
5 disabled" means disability as defined in section 216 of title II of
6 the social security act, 42 USC 416.

7 (5) A senior citizen who has total household resources for the
8 tax year of \$6,000.00 or less and who for 1973 received a senior
9 citizen homestead exemption under former section 7c of the general
10 property tax act, 1893 PA 206, may compute the credit against the
11 state income tax liability for a percentage of the property taxes
12 on the homestead for the tax year determined as follows:

13 (a) If the taxable value of the homestead is \$2,500.00 or
14 less, 100% of the property taxes.

15 (b) If the taxable value of the homestead is more than
16 \$2,500.00, the percentage that \$2,500.00 bears to the taxable value
17 of the homestead.

18 (6) For a return of less than 12 months, the claim shall be
19 reduced proportionately.

20 (7) The department may prescribe tables that may be used to
21 determine the amount of the claim.

22 (8) The total credit allowed in this section for each year
23 ~~after December 31, 1975 shall not exceed \$1,200.00 per year.~~ **THE**
24 **AMOUNT DETERMINED UNDER SECTION 520.**

25 (9) The total credit allowable under this part and part 361 of
26 the natural resources and environmental protection act, 1994 PA
27 451, MCL 324.36101 to 324.36117, shall not exceed the total

1 property tax due and payable by the claimant in that year. The
2 amount by which the credit exceeds the property tax due and payable
3 shall be deducted from the credit claimed under part 361 of the
4 natural resources and environmental protection act, 1994 PA 451,
5 MCL 324.36101 to 324.36117.

6 Enacting section 1. This amendatory act does not take effect
7 unless all of the following bills of the 98th Legislature are
8 enacted into law:

9 (a) House Bill No. 4614.

10 (b) House Bill No. 4616.

11 (c) House Bill No. 4736.

12 (d) House Bill No. 4737.

13 (e) House Bill No. 4738.