

**SUBSTITUTE FOR
SENATE BILL NO. 784**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7b (MCL 211.7b), as amended by 2013 PA 161.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. ~~(1) Real property used and owned as a homestead by a~~
2 ~~disabled veteran who was discharged from the armed forces of the~~
3 ~~United States under honorable conditions or by an individual~~
4 ~~described in subsection (2) is exempt from the collection of taxes~~
5 ~~under this act. To obtain the exemption, an affidavit showing the~~
6 ~~facts required by this section and a description of the real~~
7 ~~property shall be filed by the property owner or his or her legal~~
8 ~~designee with the supervisor or other assessing officer during the~~
9 ~~period beginning with the tax day for each year and ending at the~~

~~time of the final adjournment of the local board of review. The affidavit when filed shall be open to inspection. The county treasurer shall cancel taxes subject to collection under this act for any year in which a disabled veteran eligible for the exemption under this section has acquired title to real property exempt under this section. Upon granting the exemption under this section, each local taxing unit shall bear the loss of its portion of the taxes upon which the exemption has been granted.~~

~~(2) If a disabled veteran who is otherwise eligible for the exemption under this section dies, either before or after the exemption under this section is granted, the exemption shall remain available to or shall continue for his or her unremarried surviving spouse. The surviving spouse shall comply with the requirements of subsection (1) and shall indicate on the affidavit that he or she is the surviving spouse of a disabled veteran entitled to the exemption under this section. The exemption shall continue as long as the surviving spouse remains unremarried.~~

~~(3) As used in this section, "disabled veteran" means a person who is a resident of this state and who meets 1 of the following criteria:~~

~~(a) Has been determined by the United States department of veterans affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.~~

~~(b) Has a certificate from the United States veterans' administration, or its successors, certifying that he or she is receiving or has received pecuniary assistance due to disability for specially adapted housing.~~

~~(c) Has been rated by the United States department of veterans~~

1 ~~affairs as individually unemployable.~~

2 (1) A disabled veteran, the widow or widower of a disabled
3 veteran, or the widow or widower of a veteran killed in action who
4 wants to defer collection of his or her property taxes and
5 authorize the local tax collecting unit to claim the homestead
6 credit provided for in section 521 of the income tax act of 1967,
7 1967 PA 281, MCL 206.521, on his or her behalf must file an
8 affidavit under this section, in a form as prescribed by the
9 department of treasury, with the local tax collecting unit in which
10 the homestead is located. The applicant may file the affidavit
11 anytime in the calendar year during which the property taxes
12 subject to the credit are levied. The affidavit must include all of
13 the following:

14 (a) A description of the property for which the credit is
15 claimed.

16 (b) A statement that the property described in subdivision (a)
17 is owned and used by the applicant as his or her homestead.

18 (c) A statement that the applicant is a disabled veteran, the
19 widow or widower of a disabled veteran, or the widow or widower of
20 a veteran killed in action.

21 (d) A statement authorizing the local tax collecting unit to
22 claim the homestead credit under section 521 of the income tax act
23 of 1967, 1967 PA 281, MCL 206.521, on behalf of the applicant.

24 (e) A statement authorizing the department of treasury to
25 remit direct payment of the credit claimed on his or her behalf
26 directly to the local tax collecting unit.

27 (f) Supporting documentation for the information described in
28 this subsection as required by the local tax collecting unit
29 pursuant to guidelines provided by the department of treasury. For

1 purposes of documentation in support of the statement required in
2 subdivision (c), if the disability status of a veteran is
3 established by a disability rating provided in writing by the
4 United States Department of Veterans Affairs prior to the year in
5 which the affidavit is filed, the affidavit must include a
6 statement that the disability rating is the veteran's most recent
7 disability rating and has not changed since it was initially
8 provided.

9 (2) The department of treasury shall provide local tax
10 collecting units with informational materials that a local tax
11 collecting unit shall distribute to applicants who file affidavits
12 under subsection (1). The informational materials must explain how
13 an applicant's affidavit will be processed and how the applicant's
14 tax liability will be handled under subsections (3) to (6).

15 (3) A local tax collecting unit that receives an affidavit
16 filed under subsection (1) shall do both of the following:

17 (a) Defer collecting any property taxes levied on the
18 homestead during the calendar year in which the affidavit was filed
19 until 1 of the following:

20 (i) This state pays those property taxes under section 521 of
21 the income tax act of 1967, 1967 PA 281, MCL 206.521.

22 (ii) This state rejects the claim for the credit under section
23 521 of the income tax act of 1967, 1967 PA 281, MCL 206.521.

24 (b) Before February 1 of the year immediately succeeding the
25 calendar year in which the affidavit was filed, all of the
26 following:

27 (i) Provide the department of treasury with a copy of the
28 affidavit.

29 (ii) Provide the department of treasury with the information

1 necessary to determine the amount of the property taxes deferred on
2 the applicant's homestead for the calendar year for which the
3 affidavit was filed and the credit is being claimed.

4 (iii) File a claim for the homestead credit under section 521 of
5 the income tax act of 1967, 1967 PA 281, MCL 206.521, on behalf of
6 the applicant who filed the affidavit, and request payment of that
7 credit. The filing under this subparagraph, and the provision of
8 documentation and information under subparagraphs (i) and (ii), must
9 be done in a form and manner prescribed by the department of
10 treasury. However, the department shall not require, but may
11 encourage, local tax collecting units to make their submissions
12 electronically.

13 (4) Except as otherwise provided in this subsection, property
14 taxes deferred under subsection (3)(a) are not subject to penalties
15 or interest for the period of deferment. If this state rejects the
16 claim for the credit under subsection (3)(a)(ii), any unpaid balance
17 becomes due and payable on the date of the rejection, and 90 days
18 after the rejection any remaining unpaid balance is subject to
19 penalties and interest consistent with this act.

20 (5) Upon this state's payment of property taxes, or rejection
21 of a claim for the credit, as described in subsection (3)(a), the
22 local tax collecting unit shall provide written notification to the
23 applicant who filed the affidavit for the credit under subsection
24 (1) of that payment or rejection, the amount of any unpaid balance
25 due and payable under subsection (4), and the date by which that
26 unpaid balance must be paid before it is subject to the penalties
27 and interest described in subsection (4).

28 (6) Payments made by this state under section 521 of the
29 income tax act of 1967, 1967 PA 281, MCL 206.521, for property

1 taxes collected under this act are considered taxes paid by the
2 disabled veteran, the widow or widower of a disabled veteran, or
3 the widow or widower of a veteran killed in action.

4 (7) As used in this section:

5 (a) "Disabled veteran" means a veteran who meets 1 of the
6 following criteria:

7 (i) Has been determined by the United States Department of
8 Veterans Affairs to be permanently and totally disabled as a result
9 of military service and entitled to veterans' benefits at the 100%
10 rate.

11 (ii) Has been determined by the United States Department of
12 Veterans Affairs to be entitled to veterans' benefits based on a
13 rating equal to or greater than 50% disabled and less than 100%
14 permanently and totally disabled.

15 (iii) Has a certificate from the United States Department of
16 Veterans Affairs certifying that he or she is receiving or has
17 received pecuniary assistance due to disability for specially
18 adapted housing.

19 (iv) Has been rated by the United States Department of Veterans
20 Affairs as individually unemployable.

21 (b) "Veteran" means that term as defined in section 1 of 1965
22 PA 190, MCL 35.61.

23 (c) "Widow or widower of a disabled veteran" means the
24 unmarried surviving spouse of a disabled veteran as defined in
25 subdivision (a) (i), (iii), or (iv) who was eligible for 1 of the
26 following when he or she died:

27 (i) If the death occurred before December 31, 2022, the
28 exemption provided in this section before December 31, 2022,
29 whether or not the exemption had previously been granted to the

1 decedent.

2 (ii) If the death occurred on or after December 31, 2022, the
3 homestead credit provided in section 521 of the income tax act of
4 1967, 1967 PA 281, MCL 206.521, on and after December 31, 2022,
5 whether or not the credit had previously been granted to the
6 decedent.

7 (d) "Widow or widower of a veteran killed in action" means the
8 unmarried surviving spouse of a veteran who was killed in action
9 while serving as a member of the United States Armed Forces.

10 Enacting section 1. This amendatory act takes effect December
11 31, 2022.

12 Enacting section 2. This amendatory act does not take effect
13 unless House Bill No. 4568 of the 101st Legislature is enacted into
14 law.