

# SENATE BILL NO. 1021

April 27, 2022, Introduced by Senators CHANG, HOLLIER, ALEXANDER, POLEHANKI, GEISS, BULLOCK, BAYER and BRINKS and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
(MCL 211.1 to 211.155) by adding section 7yy.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 7yy. (1) For taxes levied after December 31, 2021, real  
2 property used as an individual's primary residence is partially  
3 exempt from the collection of taxes under this act in the amount  
4 calculated under subsection (2) if all of the following conditions  
5 are met:

1 (a) The real property is owned by the individual, the  
2 individual's spouse, or the individual's or his or her spouse's  
3 mother, father, brother, sister, son, daughter, adopted son,  
4 adopted daughter, grandson, or granddaughter.

5 (b) Either of the following:

6 (i) The individual is at least 63 years of age and has  
7 continuously used the property as his or her primary residence for  
8 at least the immediately preceding 10 years.

9 (ii) The individual has continuously used the property as his  
10 or her primary residence for at least the immediately preceding 30  
11 years.

12 (c) For the current tax year, the total gross income of the  
13 individual and all those who are members of his or her household is  
14 not greater than \$40,000.00.

15 (2) The amount of the exemption under subsection (1) is the  
16 taxable value of the primary residence in the current tax year  
17 minus the base amount.

18 (3) When married persons maintain separate primary residences,  
19 the exemption provided for in this section may be claimed by only  
20 one of them and for only one primary residence.

21 (4) The department of treasury shall promulgate rules to  
22 implement this section pursuant to the administrative procedures  
23 act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

24 (5) As used in this section:

25 (a) "Additions" means that term as defined in section 34d.

26 (b) "Base amount" means the taxable value of a primary  
27 residence in the base year minus all losses and plus all additions  
28 since that year.

29 (c) "Base year" means the tax year for which the exemption

1 claimant first qualifies and applies for the exemption under this  
2 section. However, if in any subsequent tax year for which the  
3 exemption claimant applies and qualifies for the exemption the  
4 taxable value of the primary residence is less than the taxable  
5 value in the existing base year, then that subsequent tax year  
6 becomes the base year unless the taxable value for the subsequent  
7 tax year results from a temporary irregularity in the property that  
8 reduces the taxable value for 1 or more years.

9 (d) "Gross income" means that term as defined in section 12 of  
10 the income tax act of 1967, 1967 PA 281, MCL 206.12.

11 (e) "Losses" means that term as defined in section 34d.

12 (f) "Taxable value" means the taxable value as determined  
13 under section 27a.