



MEMORANDUM



From: Michigan Association of School Boards
Michigan Education Association
Middle Cities Education Association
Michigan Association of School Administrators
Michigan Association of Intermediate School Administrators
AFT Michigan
Michigan Elementary and Middle School Principals Association
Michigan Association of Secondary School Principals



RE: Legislation with negative effects on the School Aid Fund

Date: December 2, 2014



We write today in opposition to multiple bills under consideration this week which would have negative effects on the School Aid Fund and local property tax revenue. Three different House Committees are considering bills to cut property tax exemptions:

- Senate Bill 697 – House Committee on Transportation & Infrastructure – creates a property tax exemption for nonprofit street railways.
- House Bill 5838 – House Committee on Tax Policy – creates a property tax exemption for sportsmen clubs who use their property for charitable purposes during the year.
- Senate Bill 52 – House Committee on Appropriations – revising the property tax exemption for qualified forest properties.



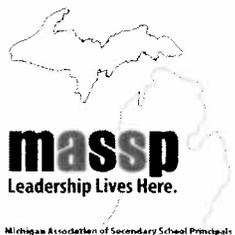
While each of these bills may seem like only a small decrease to property tax revenue and the School Aid Fund, our concerns lie in the bigger picture. When they are added to the many other policies recently passed and being considered, they continue to erode the school aid fund and add up to a significant amount of money over time. Seventeen bills have been signed into law this session alone which total over \$161 million cut to the SAF.



We urge you to look very closely at this bill and similar ones and the collateral damage they have over time. Our schools will continue to see cuts if the School Aid Fund does not receive the revenue necessary to support our students and communities.



We urge you to oppose these bills until the SAF is held harmless by the cuts proposed. If you have any questions, please feel free to contact any of us.



MEMORANDUM

To: House Colleagues
From: Representative Henry Yanez, 25th District
Subject: Co-Sponsorship
Date: December 3, 2014
Re: 100% Disabled Veterans Income Tax Credit

House Bill 5278 would amend the "Income Tax Act of 1967," to provide an income tax credit for 100% disabled veterans who rent or lease their homestead.

On November 11, 2013, Governor Snyder signed P.A. 161, which passed both the House and Senate unanimously, into law. It exempted 100% disabled veteran homeowners and under certain specified conditions, their widows, from property tax liability. Unfortunately, the provisions of P.A. 161 of 2013 are not applicable for 100% disabled veterans who either rent or lease a homestead. My bill intends to ameliorate this oversight and fully realize the spirit and intent addressed in P.A. 161 of 2013.

The formula used by my bill to determine how much property tax a renter or lessee pays and therefore how much of an income tax credit they are entitled to, is analogous to the calculations used to assess a renters' or lessees' property tax liability for purposes of determining the amount of their homestead property tax credit eligibility.

Please note: this is an income tax credit, not an exemption from local property taxes. Local municipalities and school districts will not incur any revenue losses.

Please stop by my office (S0789 HOB), my desk (#74), or contact my office at 32275 if you have any questions.

Let us honor our veterans by eliminating this double standard.

I welcome and encourage your support.

Sincerely,

Henry Yanez