

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 847**

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending sections 272 and 522 (MCL 206.272 and 206.522),  
section 272 as amended by 2011 PA 38 and section 522 as amended  
by 2013 PA 206.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 272. (1) For the following tax years that begin after  
2 December 31, 2007, a taxpayer may credit against the tax imposed  
3 by this act an amount equal to the specified percentages of the  
4 credit the taxpayer is allowed to claim as a credit under section  
5 32 of the internal revenue code for a tax year on a return filed  
6 under this act for the same tax year:

7           (a) For tax years that begin after December 31, 2007 and  
8 before January 1, 2009, 10%.

1 (b) For tax years that begin after December 31, 2008 and  
2 before January 1, 2012, 20%.

3 (c) For tax years that begin after December 31, 2011 **AND**  
4 **BEFORE JANUARY 1, 2016**, 6%.

5 **(D) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2015, 20%.**

6 (2) If the credit allowed by this section exceeds the tax  
7 liability of the taxpayer for the tax year, the state treasurer  
8 shall refund the excess to the taxpayer without interest, except  
9 as provided in section 30 of 1941 PA 122, MCL 205.30.

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

12 (a) A claimant who is not a senior citizen is entitled to a  
13 credit against the state income tax liability under this part  
14 equal to 60% of the amount by which the property taxes on the  
15 homestead, or the credit for rental of the homestead for the tax  
16 year, exceeds 3.5% of the claimant's total household resources  
17 for that tax year.

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

21 (i) For a claimant with total household resources of  
22 \$21,000.00 or less, an amount as determined in accordance with  
23 subdivision (c).

24 (ii) For a claimant with total household resources of more  
25 than \$21,000.00 and less than or equal to \$22,000.00, an amount  
26 equal to 96% 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.

2 (iii) For a claimant with total household resources of more  
3 than \$22,000.00 and less than or equal to \$23,000.00, an amount  
4 equal to 92% 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.

7 (iv) For a claimant with total household resources of more  
8 than \$23,000.00 and less than or equal to \$24,000.00, an amount  
9 equal to 88% of the difference between the property taxes on the  
10 homestead or the credit for rental of the homestead for the tax  
11 year and 3.5% of total household resources.

12 (v) For a claimant with total household resources of more  
13 than \$24,000.00 and less than or equal to \$25,000.00, an amount  
14 equal to 84% of the difference between the property taxes on the  
15 homestead or the credit for rental of the homestead for the tax  
16 year and 3.5% of total household resources.

17 (vi) For a claimant with total household resources of more  
18 than \$25,000.00 and less than or equal to \$26,000.00, an amount  
19 equal to 80% of the difference between the property taxes on the  
20 homestead or the credit for rental of the homestead for the tax  
21 year and 3.5% of total household resources.

22 (vii) For a claimant with total household resources of more  
23 than \$26,000.00 and less than or equal to \$27,000.00, an amount  
24 equal to 76% of the difference between the property taxes on the  
25 homestead or the credit for rental of the homestead for the tax  
26 year and 3.5% of total household resources.

27 (viii) For a claimant with total household resources of more

1 than \$27,000.00 and less than or equal to \$28,000.00, an amount  
2 equal to 72% of the difference between the property taxes on the  
3 homestead or the credit for rental of the homestead for the tax  
4 year and 3.5% of total household resources.

5 (ix) For a claimant with total household resources of more  
6 than \$28,000.00 and less than or equal to \$29,000.00, an amount  
7 equal to 68% of the difference between the property taxes on the  
8 homestead or the credit for rental of the homestead for the tax  
9 year and 3.5% of total household resources.

10 (x) For a claimant with total household resources of more  
11 than \$29,000.00 and less than or equal to \$30,000.00, an amount  
12 equal to 64% 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.

15 (xi) For a claimant with total household resources of more  
16 than \$30,000.00, an amount equal to 60% of the difference between  
17 the property taxes on the homestead or the credit for rental of  
18 the homestead for the tax year and 3.5% of total household  
19 resources.

20 (c) A claimant who is a senior citizen with total household  
21 resources of \$21,000.00 or less or a paraplegic, hemiplegic, or  
22 quadriplegic and for tax years that begin after December 31,  
23 1999, a claimant who is totally and permanently disabled, deaf,  
24 or, for tax years that begin after December 31, 2012, blind is  
25 entitled to a credit against the state income tax liability for  
26 the amount by which the property taxes on the homestead, the  
27 credit for rental of the homestead, or a service charge in lieu

1 of ad valorem taxes as provided by section 15a of the state  
 2 housing development authority act of 1966, 1966 PA 346, MCL  
 3 125.1415a, for the tax year exceeds the percentage of the  
 4 claimant's total household resources for that tax year computed  
 5 as follows:

6 **FOR TAX YEARS ENDING BEFORE JANUARY 1, 2016**

7	Total household resources	Percentage
8	Not over \$3,000.00	.0%
9	Over \$3,000.00 but not over \$4,000.00	1.0%
10	Over \$4,000.00 but not over \$5,000.00	2.0%
11	Over \$5,000.00 but not over \$6,000.00	3.0%
12	Over \$6,000.00	3.5%

13

14 **FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 2015**

15	<b>TOTAL HOUSEHOLD RESOURCES</b>	<b>PERCENTAGE</b>
16	<b>NOT OVER \$6,000.00</b>	<b>.0%</b>
17	<b>OVER \$6,000.00</b>	<b>3.5%</b>

18 (d) A claimant who is an eligible serviceperson, eligible  
 19 veteran, or eligible widow or widower is entitled to a credit  
 20 against the state income tax liability for a percentage of the  
 21 property taxes on the homestead for the tax year not in excess of  
 22 100% determined as follows:

23 (i) Divide the taxable value allowance specified in section  
 24 506 by the taxable value of the homestead or, if the eligible  
 25 serviceperson, eligible veteran, or eligible widow or widower  
 26 leases or rents a homestead, divide 17% of the total annual rent  
 27 paid for tax years before the 1994 tax year, or 20% of the total

1 annual rent paid for tax years after the 1993 tax year on the  
2 property by the property tax rate on the property.

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

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

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

10 (ii) If the taxable value of the homestead is more than  
11 \$3,500.00, the percentage that \$3,500.00 bears to the taxable  
12 value of the homestead.

13 (2) A person who is qualified to make a claim under more  
14 than 1 classification shall elect the classification under which  
15 the claim is made.

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

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

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

1 follows:

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

4 (b) If the taxable value of the homestead is more than  
5 \$2,500.00, the percentage that \$2,500.00 bears to the taxable  
6 value of the homestead.

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

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

11 (8) The total credit allowed in this section for each year  
12 after December 31, 1975 shall not exceed \$1,200.00 per year.

13 (9) The total credit allowable under this part and part 361  
14 of the natural resources and environmental protection act, 1994  
15 PA 451, MCL 324.36101 to 324.36117, shall not exceed the total  
16 property tax due and payable by the claimant in that year. The  
17 amount by which the credit exceeds the property tax due and  
18 payable shall be deducted from the credit claimed under part 361  
19 of the natural resources and environmental protection act, 1994  
20 PA 451, MCL 324.36101 to 324.36117.

21 Enacting section 1. This amendatory act does not take effect  
22 unless Senate Joint Resolution \_\_\_\_ or House Joint Resolution  
23 \_\_\_\_ (request no. 02708'13 \*\*) of the 97th Legislature becomes a  
24 part of the state constitution of 1963 as provided in section 1  
25 of article XII of the state constitution of 1963.