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HOMESTEAD TAX CREDIT : RENTERS

House Bill 5287

Sponsor: Rep. Nancy Quarles

Committee: Tax Policy

Complete to 6-2-98

A SUMMARY OF HOUSE BILL 5287 (SUBSTITUTE H-1)

Under the Income Tax Act, some taxpayers are able to claim a credit for property taxes paid. Generally, homeowners and renters can claim a credit against the income tax equal to 60 percent of the amount by which their property taxes exceed 3.5 percent of income. (Certain taxpayers can claim greater amounts.) In calculating this credit, renters use 20 percent of annual rent as equivalent to property taxes paid. House Bill 5287 (H-1) would increase this to 23 percent of rent paid for tax years after the 1997 tax year.

MCL 206.520

House Bill 5287 (6-2-98)

Analyst: C. Couch

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