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CIRCUIT BREAKER INCREASE

House Bill 4167

Sponsor: Rep. Judson Gilbert II

Committee: Tax Policy

Complete to 4-19-99

A SUMMARY OF HOUSE BILL 4167 AS INTRODUCED 2-9-99

The homestead property tax credit or circuit breaker provides taxpayers with an income tax credit for the amount of property taxes paid on their homesteads that exceed a certain percentage of household income. Generally, the credit is equal to 60 percent of the amount of property taxes paid that exceed 3.5 percent of household income. House Bill 4167 would amend the Income Tax Act to increase the credit by making it equal to 60 percent of the amount property taxes exceed 3.4 percent of household income for the 1999 tax year; 3.3 percent for the 2000 tax year; 3.2 percent for the 2001 tax year; 3.1 percent for the 2002 tax year; and 3 percent for the 2003 tax years and tax years thereafter. Renters can claim the credit substituting 20 percent of rent for property taxes. The bill addresses the provisions in the act dealing with the general property tax credit and does not address the homestead property tax credit as it applies to senior citizens and certain other categories of taxpayers.

MCL 206.522

House Bill 4167 (4-19-99)

Analyst: C. Couch

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