

HOUSE BILL No. 6250

June 12, 2018, Introduced by Rep. Chang and referred to the Committee on Tax Policy.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 7XX. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 2018, 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:**

6 **(A) THE REAL PROPERTY IS OWNED BY THE INDIVIDUAL, THE**
7 **INDIVIDUAL'S SPOUSE, OR THE INDIVIDUAL'S OR HIS OR HER SPOUSE'S**
8 **MOTHER, FATHER, BROTHER, SISTER, SON, DAUGHTER, ADOPTED SON,**
9 **ADOPTED DAUGHTER, GRANDSON, OR GRANDDAUGHTER.**

10 **(B) EITHER OF THE FOLLOWING:**

1 (i) THE INDIVIDUAL IS AT LEAST 63 YEARS OF AGE AND HAS
2 CONTINUOUSLY USED THE PROPERTY AS HIS OR HER PRIMARY RESIDENCE FOR
3 AT LEAST THE IMMEDIATELY PRECEDING 10 YEARS.

4 (ii) THE INDIVIDUAL HAS CONTINUOUSLY USED THE PROPERTY AS HIS
5 OR HER PRIMARY RESIDENCE FOR AT LEAST THE IMMEDIATELY PRECEDING 30
6 YEARS.

7 (C) FOR THE CURRENT TAX YEAR, THE TOTAL GROSS INCOME OF THE
8 INDIVIDUAL AND ALL THOSE WHO ARE MEMBERS OF HIS OR HER HOUSEHOLD IS
9 NOT GREATER THAN \$40,000.00.

10 (2) THE AMOUNT OF THE EXEMPTION UNDER SUBSECTION (1) IS THE
11 TAXABLE VALUE OF THE PRIMARY RESIDENCE IN THE CURRENT TAX YEAR
12 MINUS THE BASE AMOUNT.

13 (3) WHEN MARRIED PERSONS MAINTAIN SEPARATE PRIMARY RESIDENCES,
14 THE EXEMPTION PROVIDED FOR IN THIS SECTION MAY BE CLAIMED BY ONLY
15 ONE OF THEM AND FOR ONLY ONE PRIMARY RESIDENCE.

16 (4) THE DEPARTMENT OF TREASURY SHALL PROMULGATE RULES TO
17 IMPLEMENT THIS SECTION PURSUANT TO THE ADMINISTRATIVE PROCEDURES
18 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

19 (5) AS USED IN THIS SECTION:

20 (A) "ADDITIONS" MEANS THAT TERM AS DEFINED IN SECTION 34D.

21 (B) "BASE AMOUNT" MEANS THE TAXABLE VALUE OF A PRIMARY
22 RESIDENCE IN THE BASE YEAR MINUS ALL LOSSES AND PLUS ALL ADDITIONS
23 SINCE THAT YEAR.

24 (C) "BASE YEAR" MEANS THE TAX YEAR FOR WHICH THE EXEMPTION
25 CLAIMANT FIRST QUALIFIES AND APPLIES FOR THE EXEMPTION UNDER THIS
26 SECTION. HOWEVER, IF IN ANY SUBSEQUENT TAX YEAR FOR WHICH THE
27 EXEMPTION CLAIMANT APPLIES AND QUALIFIES FOR THE EXEMPTION THE

1 TAXABLE VALUE OF THE PRIMARY RESIDENCE IS LESS THAN THE TAXABLE
2 VALUE IN THE EXISTING BASE YEAR, THEN THAT SUBSEQUENT TAX YEAR
3 BECOMES THE BASE YEAR UNLESS THE TAXABLE VALUE FOR THE SUBSEQUENT
4 TAX YEAR RESULTS FROM A TEMPORARY IRREGULARITY IN THE PROPERTY THAT
5 REDUCES THE TAXABLE VALUE FOR 1 OR MORE YEARS.

6 (D) "GROSS INCOME" MEANS THAT TERM AS DEFINED IN SECTION 12 OF
7 THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.12.

8 (E) "LOSSES" MEANS THAT TERM AS DEFINED IN SECTION 34D.

9 (F) "TAXABLE VALUE" MEANS THE TAXABLE VALUE AS DETERMINED
10 UNDER SECTION 27A.