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Senate Bill 846 (as introduced 1-25-22)
Sponsor: Senator Sylvia Santana
Committee: Finance

Date Completed: 3-2-22

CONTENT

The bill would amend the General Property Tax Act to specify that, as it related to homestead property owned and used by a totally and permanently disabled veteran, the disabled veteran tax exemption would remain in effect without reapplication until the end of the tax year in which the property ceased to be eligible on that basis.

Under the Act, real property used and owned as a homestead by a disabled veteran who was discharged from the United States Armed Forces under honorable conditions or by his or her unremarried surviving spouse is exempt from the collection of property tax. To obtain the exemption, the property owner or his or her legal designee must file an affidavit showing the facts required under the Act and a description of the real property with the supervisor or other assessing officer during the period beginning with the tax day for each year and ending with the final adjournment of the local board of review. Under the bill, this would apply except as provided below.

Under the bill, for an exemption granted to an individual who qualified as a disabled veteran who was determined by the US Department of Veterans Affairs to be permanently and totally disabled as a result of military service and entitled to veterans benefits at the 100% rate, the exemption would be effective as to taxes levied in the tax year in which the exemption was first granted. The exemption would remain in effect, without reapplication, until the expiration of the tax year in which the property ceased to be eligible for the exemption on the basis of that individual's qualifying as a totally and permanently disabled veteran.

An owner of property who ceased to be eligible for the exemption as a totally or permanently disabled veteran, or his or her legal designee, would have to rescind the exemption in the form and manner prescribed by the State Tax Commission within 30 days after the property ceased to be eligible for the exemption, if the property were not eligible for the exemption on another basis. Alternatively, he or she would have to apply for the exemption on an annual basis, if the property were eligible for the exemption on another basis (e.g., if the disabled veteran's unremarried surviving spouse were claiming the exemption).

Under the Act, "disabled veteran" means a person who is a resident of the State and who meets one of several criteria pertaining to his or her disability or eligibility for benefits. Under the bill, the term would mean a *veteran* who was a resident of the State and meets one of those criteria.

MCL 211.7b

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on the State and no direct fiscal impact on local governments. The bill would not change the requirements to qualify for a property tax exemption. It would reduce the frequency that certain disabled veterans would have to file for the exemption, which could reduce administrative costs.

Fiscal Analyst: Ryan Bergan

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.