

SENATE BILL NO. 784

December 08, 2021, Introduced by Senators BUMSTEAD, DALEY, MCBROOM, HOLLIER, WOZNIAK, MOSS, OUTMAN, BAYER, ZORN, JOHNSON, VANDERWALL and SCHMIDT and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7b (MCL 211.7b), as amended by 2013 PA 161.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. ~~(1) Real property used and owned as a homestead by a~~
2 ~~disabled veteran who was discharged from the armed forces of the~~
3 ~~United States under honorable conditions or by an individual~~
4 ~~described in subsection (2) is exempt from the collection of taxes~~
5 ~~under this act. To obtain the exemption, an affidavit showing the~~
6 ~~facts required by this section and a description of the real~~

~~1 property shall be filed by the property owner or his or her legal
2 designee with the supervisor or other assessing officer during the
3 period beginning with the tax day for each year and ending at the
4 time of the final adjournment of the local board of review. The
5 affidavit when filed shall be open to inspection. The county
6 treasurer shall cancel taxes subject to collection under this act
7 for any year in which a disabled veteran eligible for the exemption
8 under this section has acquired title to real property exempt under
9 this section. Upon granting the exemption under this section, each
10 local taxing unit shall bear the loss of its portion of the taxes
11 upon which the exemption has been granted.~~

~~12 (2) If a disabled veteran who is otherwise eligible for the
13 exemption under this section dies, either before or after the
14 exemption under this section is granted, the exemption shall remain
15 available to or shall continue for his or her unremarried surviving
16 spouse. The surviving spouse shall comply with the requirements of
17 subsection (1) and shall indicate on the affidavit that he or she
18 is the surviving spouse of a disabled veteran entitled to the
19 exemption under this section. The exemption shall continue as long
20 as the surviving spouse remains unremarried.~~

~~21 (3) As used in this section, "disabled veteran" means a person
22 who is a resident of this state and who meets 1 of the following
23 criteria:~~

~~24 (a) Has been determined by the United States department of
25 veterans affairs to be permanently and totally disabled as a result
26 of military service and entitled to veterans' benefits at the 100%
27 rate.~~

~~28 (b) Has a certificate from the United States veterans'
29 administration, or its successors, certifying that he or she is~~

1 ~~receiving or has received pecuniary assistance due to disability~~
2 ~~for specially adapted housing.~~

3 ~~(c) Has been rated by the United States department of veterans~~
4 ~~affairs as individually unemployable.~~

5 (1) If a disabled veteran or the widow or widower of a
6 disabled veteran intends to claim the homestead credit provided for
7 in section 521 of the income tax act of 1967, 1967 PA 281, MCL
8 206.521, he or she shall, as required by section 521 of the income
9 tax act of 1967, 1967 PA 281, MCL 206.521, file an affidavit with
10 the local tax collecting unit stating that intention and describing
11 the homestead for which the credit will be claimed. The affidavit
12 may be filed anytime in the calendar year during which the property
13 taxes subject to the credit under section 521 of the income tax act
14 of 1967, 1967 PA 281, MCL 206.521, are levied. The department of
15 treasury shall provide local tax collecting units with both of the
16 following:

17 (a) A form to be used for an affidavit filed under this
18 subsection.

19 (b) Informational materials that a local tax collecting unit
20 shall distribute to individuals who submit affidavits under this
21 subsection. The informational materials must explain how a
22 claimant's affidavit will be processed and how the claimant's tax
23 liability will be handled under subsections (2) to (5).

24 (2) A local tax collecting unit that receives an affidavit
25 filed under subsection (1) shall do both of the following:

26 (a) Defer collecting any property taxes levied on the
27 homestead during the calendar year in which the affidavit was filed
28 until 1 of the following:

29 (i) This state pays those property taxes under section 521 of

1 the income tax act of 1967, 1967 PA 281, MCL 206.521.

2 (ii) This state rejects the claim for the credit under section
3 521 of the income tax act of 1967, 1967 PA 281, MCL 206.521.

4 (b) Before February 1 of the year immediately succeeding the
5 calendar year in which the affidavit was filed, provide the
6 department of treasury with a copy of the affidavit and inform the
7 department in a form and manner prescribed by the department of the
8 amount of the property taxes deferred for the calendar year for
9 which the affidavit was filed.

10 (3) Except as otherwise provided in this subsection, property
11 taxes deferred under subsection (2) (a) are not subject to penalties
12 or interest for the period of deferment. If this state rejects the
13 claim for the credit under subsection (2) (a) (ii), any unpaid balance
14 becomes due and payable on the date of the rejection, and 90 days
15 after the rejection any remaining unpaid balance is subject to
16 penalties and interest consistent with this act.

17 (4) Upon this state's payment of property taxes, or rejection
18 of a claim for the credit, as described in subsection (2) (a), the
19 local tax collecting unit shall provide written notification to the
20 individual who filed the affidavit for the credit under subsection
21 (1) of that payment or rejection, the amount of any unpaid balance
22 due and payable under subsection (3), and the date by which that
23 unpaid balance must be paid before it is subject to the penalties
24 and interest described in subsection (3).

25 (5) Payments made by this state under section 521 of the
26 income tax act of 1967, 1967 PA 281, MCL 206.521, for property
27 taxes collected under this act are considered taxes paid by the
28 disabled veteran or the widow or widower of a disabled veteran.

29 (6) As used in this section, "disabled veteran" means that

1 **term as defined in section 505 of the income tax act of 1967, 1967**
2 **PA 281, MCL 206.505.**

3 Enacting section 1. This amendatory act takes effect December
4 31, 2022.

5 Enacting section 2. This amendatory act does not take effect
6 unless Senate Bill No. 783 of the 101st Legislature is enacted into
7 law.