

**SUBSTITUTE FOR  
HOUSE BILL NO. 4986**

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending sections 516, 520, and 522 (MCL 206.516, 206.520, and  
206.522), section 516 as amended by 2016 PA 212 and sections 520  
and 522 as amended by 2015 PA 179, and by adding section 520a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 516. (1) **"DISABLED VETERAN" MEANS A VETERAN WHO MEETS 1**  
2 **OF THE FOLLOWING CRITERIA:**

3           **(A) HAS BEEN DETERMINED BY THE UNITED STATES DEPARTMENT OF**  
4 **VETERANS AFFAIRS TO BE PERMANENTLY AND TOTALLY DISABLED AS A RESULT**  
5 **OF MILITARY SERVICE AND ENTITLED TO VETERANS' BENEFITS AT THE 100%**  
6 **RATE.**

7           **(B) HAS A CERTIFICATE FROM THE UNITED STATES DEPARTMENT OF**

1 VETERANS AFFAIRS CERTIFYING THAT HE OR SHE IS RECEIVING OR HAS  
2 RECEIVED PECUNIARY ASSISTANCE DUE TO DISABILITY FOR SPECIALLY  
3 ADAPTED HOUSING.

4 (C) HAS BEEN RATED BY THE UNITED STATES DEPARTMENT OF VETERANS  
5 AFFAIRS AS INDIVIDUALLY UNEMPLOYABLE.

6 (2) "Veteran" means an individual who meets all of the  
7 following:

8 (a) Is a veteran as defined in section 1 of 1965 PA 90, MCL  
9 35.61.

10 (b) Was a resident of this state at least 6 months prior to  
11 the time of entering the armed forces of the United States or was a  
12 resident of this state for at least 5 years prior to filing a claim  
13 under this chapter.

14 (c) Served in the armed forces during a period of war as  
15 described in 38 CFR 3.2, except that for purposes of this  
16 subdivision, "period of war" for the Vietnam era means the  
17 following:

18 (i) February 28, 1961 through May 7, 1975 for a veteran who  
19 served during that period.

20 (ii) On or after January 31, 1955 in an area of hazardous duty  
21 for which the veteran received an armed forces expeditionary medal  
22 or Vietnam service medal.

23 (d) Was discharged from service in the armed forces of the  
24 United States under honorable conditions or died while in service  
25 not as a result of his or her own misconduct.

26 (3) ~~(2)~~—"Widow or widower" means the unmarried surviving  
27 spouse of a **DISABLED VETERAN**, veteran, or serviceperson who

1 receives a widow's or widower's pension from the United States  
2 Department of Veterans Affairs. Widow or widower includes the  
3 unremarried surviving spouse of the person who previously qualified  
4 as a claimant.

5       Sec. 520. (1) Subject to the limitations and the definitions  
6 in this chapter, a claimant may claim against the tax due under  
7 this part for the tax year a credit for the property taxes on the  
8 taxpayer's homestead deductible for federal income tax purposes  
9 pursuant to section 164 of the internal revenue code, or that would  
10 have been deductible if the claimant had not elected the zero  
11 bracket amount or if the claimant had been subject to the federal  
12 income tax. The property taxes used for the credit computation  
13 shall not be greater than the amount levied for 1 tax year. An  
14 owner is not eligible for a credit under this section if the  
15 taxable value of his or her homestead excluding the portion of a  
16 parcel of real property that is unoccupied and classified as  
17 agricultural for ad valorem tax purposes in the year for which the  
18 credit is claimed is greater than \$135,000.00 through the 2021 tax  
19 year. Beginning with the 2021 tax year and each tax year after  
20 2021, the taxable value cap under this subsection for the  
21 immediately preceding tax year shall be adjusted by the percentage  
22 increase in the United States consumer price index for the  
23 immediately preceding calendar year and rounded to the nearest  
24 \$100.00 increment. The department shall annualize the amount in  
25 this subsection as necessary. As used in this subsection, "taxable  
26 value" means that value determined under section 27a of the general  
27 property tax act, 1893 PA 206, MCL 211.27a.

1           (2) A person who rents or leases a homestead may claim a  
2 similar credit computed under this section and section 522 based  
3 upon 20% of the gross rent paid for tax years before the 2018 tax  
4 year or 23% of the gross rent paid for tax years after the 2017 tax  
5 year. A person who rents or leases a homestead subject to a service  
6 charge in lieu of ad valorem taxes as provided by section 15a of  
7 the state housing development authority act of 1966, 1966 PA 346,  
8 MCL 125.1415a, may claim a similar credit computed under this  
9 section and section 522 based upon 10% of the gross rent paid.

10           (3) If the credit claimed under this section and section 522  
11 exceeds the tax liability for the tax year or if there is no tax  
12 liability for the tax year, the amount of the claim not used as an  
13 offset against the tax liability shall, after examination and  
14 review, be approved for payment, without interest, to the claimant.  
15 In determining the amount of the payment under this subsection,  
16 withholdings and other credits shall be used first to offset any  
17 tax liabilities.

18           (4) If the homestead is an integral part of a multipurpose or  
19 multidwelling building that is federally aided housing or state  
20 aided housing, a claimant who is a senior citizen entitled to a  
21 payment under subsection (2) may assign the right to that payment  
22 to a mortgagor if the mortgagor reduces the rent charged and  
23 collected on the claimant's homestead in an amount equal to the tax  
24 credit payment provided in this chapter. The assignment of the  
25 claim is valid only if the Michigan state housing development  
26 authority, by affidavit, verifies that the claimant's rent has been  
27 so reduced.

1 (5) Only the renter or lessee shall claim a credit on property  
2 that is rented or leased as a homestead.

3 (6) A person who discriminates in the charging or collection  
4 of rent on a homestead by increasing the rent charged or collected  
5 because the renter or lessee claims and receives a credit or  
6 payment under this chapter is guilty of a misdemeanor.  
7 Discrimination against a renter who claims and receives the credit  
8 under this section and section 522 by a reduction of the rent on  
9 the homestead of a person who does not claim and receive the credit  
10 is a misdemeanor. If discriminatory rents are charged or collected,  
11 each charge or collection of the higher or lower payment is a  
12 separate offense. Each acceptance of a payment of rent is a  
13 separate offense.

14 (7) A person who received aid to families with dependent  
15 children, state family assistance, or state disability assistance  
16 pursuant to the social welfare act, 1939 PA 280, MCL 400.1 to  
17 400.119b, in the tax year for which the person is filing a return  
18 shall have a credit that is authorized and computed under this  
19 section and section 522 reduced by an amount equal to the product  
20 of the claimant's credit multiplied by the quotient of the sum of  
21 the claimant's aid to families with dependent children, state  
22 family assistance, and state disability assistance for the tax year  
23 divided by the claimant's total household resources. The reduction  
24 of credit shall not exceed the sum of the aid to families with  
25 dependent children, state family assistance, and state disability  
26 assistance for the tax year. For the purposes of this subsection,  
27 aid to families with dependent children does not include child

1 support payments that offset or reduce payments made to the  
2 claimant.

3 (8) For tax years before the 2018 tax year, a credit under  
4 subsection (1) or (2) shall be reduced by 10% for each claimant  
5 whose total household resources exceed the minimum total household  
6 resources amount of \$41,000.00 and by an additional 10% for each  
7 increment of \$1,000.00 of total household resources in excess of  
8 \$41,000.00. Except as otherwise provided under this subsection, for  
9 the 2018 tax year and each tax year after 2018, the minimum total  
10 household resources amount is \$51,000.00. For the 2018 tax year and  
11 each tax year after 2018, a credit under subsection (1) or (2)  
12 shall be reduced by 10% for each claimant whose total household  
13 resources exceed the minimum total household resources amount  
14 established under this subsection and by an additional 10% for each  
15 increment of \$1,000.00 of total household resources in excess of  
16 the minimum total household resources amount for that tax year. For  
17 the 2021 tax year and each tax year after 2021, the minimum total  
18 household resources threshold amount established under this  
19 subsection for the immediately preceding tax year shall be adjusted  
20 by the percentage increase in the United States consumer price  
21 index for the immediately preceding calendar year and rounded to  
22 the nearest \$100.00 increment. **FOR TAX YEARS THAT BEGIN AFTER**  
23 **DECEMBER 31, 2018, THIS SUBSECTION DOES NOT APPLY TO A CLAIMANT WHO**  
24 **IS A DISABLED VETERAN OR A WIDOW OR WIDOWER OF A DISABLED VETERAN.**

25 (9) If the credit authorized and calculated under this section  
26 and section 522 and adjusted under subsection (7) or (8) does not  
27 provide to a senior citizen who rents or leases a homestead that

1 amount attributable to rent that constitutes more than 40% of the  
2 total household resources of the senior citizen, the senior citizen  
3 may claim a credit based upon the amount of total household  
4 resources attributable to rent as provided by this section.

5 (10) A senior citizen whose gross rent paid for the tax year  
6 is more than the percentage of total household resources specified  
7 in subsection (9) for the respective tax year may claim a credit  
8 for the amount of rent paid that constitutes more than the  
9 percentage of the total household resources of the senior citizen  
10 specified in subsection (9) and that was not provided to the senior  
11 citizen by the credit computed pursuant to this section and section  
12 522 and adjusted pursuant to subsection (7) or (8).

13 (11) The department may promulgate rules to implement  
14 subsections (9) to (15) and may prescribe a table to allow a  
15 claimant to determine the credit provided under this section and  
16 section 522 in the instruction booklet that accompanies the  
17 respective income tax or property tax credit forms used by  
18 claimants.

19 (12) A senior citizen may claim the credit under subsections  
20 (9) to (15) on the same form as the property tax credit permitted  
21 by subsection (2). **UNLESS THE DEPARTMENT CREATES A SEPARATE FORM**  
22 **FOR A DISABLED VETERAN, THE DISABLED VETERAN MAY CLAIM THE CREDIT**  
23 **FOR THE 23% OF GROSS RENT PAID ON HIS OR HER HOMESTEAD ON THE SAME**  
24 **FORM AS THE PROPERTY TAX CREDIT PERMITTED BY SUBSECTION (2).** The  
25 department shall adjust the forms accordingly.

26 (13) A senior citizen who moves to a different rented or  
27 leased homestead shall determine, for 2 tax years after the move,

1 both his or her qualification to claim a credit under subsections  
2 (9) to (15) and the amount of a credit under subsections (9) to  
3 (15) on the basis of the annualized final monthly rental payment at  
4 his or her previous homestead, if this annualized rental is less  
5 than the senior citizen's actual annual rental payments.

6 (14) For a return of less than 12 months, the claim for a  
7 credit under subsections (9) to (15) shall be reduced  
8 proportionately.

9 (15) For tax years before the 2018 tax year, the total credit  
10 allowed by this section and section 522 shall not exceed \$1,200.00  
11 per year. Except as otherwise provided under this subsection, for  
12 the 2018 tax year and each tax year after 2018, the total credit  
13 allowed by this section and section 522 shall not exceed \$1,500.00  
14 per year. Beginning with the 2021 tax year and each tax year after  
15 2021, the maximum amount of the credit allowed under this section  
16 and section 522 for the immediately preceding tax year shall be  
17 adjusted by the percentage increase in the United States consumer  
18 price index for the immediately preceding calendar year. The  
19 department shall round the amount to the nearest \$100.00 increment.

20 **FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2018, THIS SUBSECTION**  
21 **DOES NOT APPLY TO A CLAIMANT WHO IS A DISABLED VETERAN OR A WIDOW**  
22 **OR WIDOWER OF A DISABLED VETERAN.**

23 (16) As used in this section, "United States consumer price  
24 index" means the United States consumer price index for all urban  
25 consumers as defined and reported by the United States Department  
26 of Labor, Bureau of Labor Statistics.

27 **SEC. 520A. (1) FOR TAX YEARS BEGINNING ON AND AFTER JANUARY 1,**



1 2019, A DISABLED VETERAN OR A WIDOW OR WIDOWER OF A DISABLED  
2 VETERAN WHO HAS FILED AN AFFIDAVIT PURSUANT TO SECTION 7B OF THE  
3 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7B, SHALL CLAIM, ON  
4 A FORM AS PRESCRIBED BY THE DEPARTMENT, A CREDIT AGAINST THE TAX  
5 DUE UNDER THIS PART FOR THE TAX YEAR IN AN AMOUNT EQUAL TO 100% OF  
6 THE PROPERTY TAXES LEVIED ON THE TAXPAYER'S HOMESTEAD DEDUCTIBLE  
7 FOR FEDERAL INCOME TAX PURPOSES PURSUANT TO SECTION 164 OF THE  
8 INTERNAL REVENUE CODE, OR THAT WOULD HAVE BEEN DEDUCTIBLE IF THE  
9 CLAIMANT HAD NOT ELECTED ZERO BRACKET AMOUNT OR IF THE CLAIMANT HAD  
10 BEEN SUBJECT TO THE FEDERAL INCOME TAX.

11 (2) THE LOCAL TAX COLLECTING UNIT THAT RECEIVES AN AFFIDAVIT  
12 PURSUANT TO SECTION 7B OF THE GENERAL PROPERTY TAX ACT, 1893 PA  
13 206, MCL 211.7B, SHALL PROVIDE THE DEPARTMENT WITH A COPY OF THE  
14 AFFIDAVIT AND THE INFORMATION NECESSARY TO DETERMINE THE AMOUNT OF  
15 THE CREDIT BEFORE FEBRUARY 1 OF EACH YEAR. THE AMOUNT OF THE CREDIT  
16 CLAIMED UNDER THIS SECTION, AFTER EXAMINATION AND REVIEW, SHALL NOT  
17 BE USED TO OFFSET TAX LIABILITY UNDER THIS PART BUT SHALL BE  
18 APPROVED FOR PAYMENT AND THE DEPARTMENT SHALL REMIT THE AMOUNT OF  
19 THE CREDIT PAYMENT DIRECTLY TO THE LOCAL TAX COLLECTING UNIT IN THE  
20 FORM OF A FULLY NEGOTIABLE CHECK. PAYMENT SHALL BE MADE WITHIN 14  
21 DAYS OF RECEIVING THE DISABLED VETERAN PROPERTY TAX CREDIT FORM  
22 FILED BY THE CLAIMANT PURSUANT TO THIS SECTION AND THE NECESSARY  
23 INFORMATION FROM THE LOCAL TAX COLLECTING UNIT.

24 (3) A CLAIMANT THAT FILES A CREDIT UNDER THIS SECTION IS NOT  
25 ELIGIBLE FOR A CREDIT UNDER SECTION 520.

26 (4) A CREDIT CLAIMED ON A RETURN THAT COVERS A PERIOD OF LESS  
27 THAN 12 MONTHS SHALL BE REDUCED PROPORTIONATELY.

1           (5) NOTWITHSTANDING SECTION 30A OF 1941 PA 122, MCL 205.30A,  
2 THE CREDIT ALLOWED UNDER THIS SECTION IS EXEMPT FROM INTERCEPTION,  
3 EXECUTION, LEVY, ATTACHMENT, GARNISHMENT, OR OTHER LEGAL PROCESS TO  
4 COLLECT A DEBT. NO PORTION OF THE CREDIT ALLOWED OR ANY RIGHTS  
5 EXISTING UNDER THIS SECTION SHALL BE APPLIED AS AN OFFSET TO ANY  
6 LIABILITY OF THE CLAIMANT UNDER SECTION 30A OF 1941 PA 122, MCL  
7 205.30A, OR ANY ARREARAGE OR OTHER DEBT OF THE CLAIMANT.

8           Sec. 522. (1) The amount of a claim made pursuant to this  
9 chapter shall be determined as follows:

10           (a) A claimant who is not a senior citizen **OR A DISABLED**  
11 **VETERAN** is entitled to a credit against the state income tax  
12 liability under this part equal to 60% of the amount by which the  
13 property taxes on the homestead, or the credit for rental of the  
14 homestead for the tax year, exceeds 3.5% of the claimant's total  
15 household resources for tax years before the 2018 tax year or 3.2%  
16 of the claimant's total household resources for the 2018 tax year  
17 and each tax year after 2018.

18           (b) A claimant who is a senior citizen is entitled to a credit  
19 against the state income tax liability under this part equal to the  
20 following:

21           (i) For a claimant with total household resources of  
22 \$21,000.00 or less, an amount as determined in accordance with  
23 subdivision (c).

24           (ii) For a claimant with total household resources of more  
25 than \$21,000.00 and less than or equal to \$22,000.00, an amount  
26 equal to 96% of the difference between the property taxes on the  
27 homestead or the credit for rental of the homestead for the tax

1 year and 3.5% of total household resources for tax years before the  
2 2018 tax year or 3.2% of total household resources for the 2018 tax  
3 year and each tax year after 2018.

4 (iii) For a claimant with total household resources of more  
5 than \$22,000.00 and less than or equal to \$23,000.00, an amount  
6 equal to 92% of the difference between the property taxes on the  
7 homestead or the credit for rental of the homestead for the tax  
8 year and 3.5% of total household resources for tax years before the  
9 2018 tax year or 3.2% of total household resources for the 2018 tax  
10 year and each tax year after 2018.

11 (iv) For a claimant with total household resources of more  
12 than \$23,000.00 and less than or equal to \$24,000.00, an amount  
13 equal to 88% of the difference between the property taxes on the  
14 homestead or the credit for rental of the homestead for the tax  
15 year and 3.5% of total household resources for tax years before the  
16 2018 tax year or 3.2% of total household resources for the 2018 tax  
17 year and each tax year after 2018.

18 (v) For a claimant with total household resources of more than  
19 \$24,000.00 and less than or equal to \$25,000.00, an amount equal to  
20 84% of the difference between the property taxes on the homestead  
21 or the credit for rental of the homestead for the tax year and 3.5%  
22 of total household resources for tax years before the 2018 tax year  
23 or 3.2% of total household resources for the 2018 tax year and each  
24 tax year after 2018.

25 (vi) For a claimant with total household resources of more  
26 than \$25,000.00 and less than or equal to \$26,000.00, an amount  
27 equal to 80% of the difference between the property taxes on the

1 homestead or the credit for rental of the homestead for the tax  
2 year and 3.5% of total household resources for tax years before the  
3 2018 tax year or 3.2% of total household resources for the 2018 tax  
4 year and each tax year after 2018.

5 (vii) For a claimant with total household resources of more  
6 than \$26,000.00 and less than or equal to \$27,000.00, an amount  
7 equal to 76% of the difference between the property taxes on the  
8 homestead or the credit for rental of the homestead for the tax  
9 year and 3.5% of total household resources for tax years before the  
10 2018 tax year or 3.2% of total household resources for the 2018 tax  
11 year and each tax year after 2018.

12 (viii) For a claimant with total household resources of more  
13 than \$27,000.00 and less than or equal to \$28,000.00, an amount  
14 equal to 72% of the difference between the property taxes on the  
15 homestead or the credit for rental of the homestead for the tax  
16 year and 3.5% of total household resources for tax years before the  
17 2018 tax year or 3.2% of total household resources for the 2018 tax  
18 year and each tax year after 2018.

19 (ix) For a claimant with total household resources of more  
20 than \$28,000.00 and less than or equal to \$29,000.00, an amount  
21 equal to 68% of the difference between the property taxes on the  
22 homestead or the credit for rental of the homestead for the tax  
23 year and 3.5% of total household resources for tax years before the  
24 2018 tax year or 3.2% of total household resources for the 2018 tax  
25 year and each tax year after 2018.

26 (x) For a claimant with total household resources of more than  
27 \$29,000.00 and less than or equal to \$30,000.00, an amount equal to

1 64% of the difference between the property taxes on the homestead  
 2 or the credit for rental of the homestead for the tax year and 3.5%  
 3 of total household resources for tax years before the 2018 tax year  
 4 or 3.2% of total household resources for the 2018 tax year and each  
 5 tax year after 2018.

6 (xi) For a claimant with total household resources of more  
 7 than \$30,000.00, an amount equal to 60% of the difference between  
 8 the property taxes on the homestead or the credit for rental of the  
 9 homestead for the tax year and 3.5% of total household resources  
 10 for tax years before the 2018 tax year or 3.2% of total household  
 11 resources for the 2018 tax year and each tax year after 2018.

12 (c) A claimant who is a senior citizen with total household  
 13 resources of \$21,000.00 or less or a paraplegic, hemiplegic, or  
 14 quadriplegic and for tax years that begin after December 31, 1999,  
 15 a claimant who is totally and permanently disabled, deaf, or, for  
 16 tax years that begin after December 31, 2012, blind is entitled to  
 17 a credit against the state income tax liability for the amount by  
 18 which the property taxes on the homestead, the credit for rental of  
 19 the homestead, or a service charge in lieu of ad valorem taxes as  
 20 provided by section 15a of the state housing development authority  
 21 act of 1966, 1966 PA 346, MCL 125.1415a, for the tax year exceeds  
 22 the percentage of the claimant's total household resources for that  
 23 tax year computed as follows:

24	Total household resources	Percentage
25	Not over \$3,000.00	.0%
26	Over \$3,000.00 but not over \$4,000.00	1.0%
27	Over \$4,000.00 but not over \$5,000.00	2.0%

1	Over \$5,000.00 but not over \$6,000.00	3.0%
2	Over \$6,000.00 for tax years before	
3	the 2018 tax year	3.5%
4	Over \$6,000.00 for tax years after	
5	the 2017 tax year	3.2%

6 (d) A claimant who is an eligible serviceperson, eligible  
7 veteran, or eligible widow or widower is entitled to a credit  
8 against the state income tax liability for a percentage of the  
9 property taxes on the homestead for the tax year not in excess of  
10 100% determined as follows:

11 (i) Divide the taxable value allowance specified in section  
12 506 by the taxable value of the homestead or, if the eligible  
13 serviceperson, eligible veteran, or eligible widow or widower  
14 leases or rents a homestead, divide 20% of the total annual rent  
15 paid for tax years before the 2018 tax year or 23% of the total  
16 annual rent paid for tax years after the 2017 tax year on the  
17 property by the property tax rate on the property.

18 (ii) Multiply the property taxes on the homestead by the  
19 percentage computed in subparagraph (i).

20 (e) A claimant who is blind is entitled to a credit against  
21 the state income tax liability for a percentage of the property  
22 taxes on the homestead for the tax year determined as follows:

23 (i) If the taxable value of the homestead is \$3,500.00 or  
24 less, 100% of the property taxes.

25 (ii) If the taxable value of the homestead is more than  
26 \$3,500.00, the percentage that \$3,500.00 bears to the taxable value  
27 of the homestead.

1 (F) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2018, A  
2 CLAIMANT WHO IS A DISABLED VETERAN OR A WIDOW OR WIDOWER OF A  
3 DISABLED VETERAN IS ENTITLED TO A CREDIT AGAINST THE STATE INCOME  
4 TAX LIABILITY UNDER THIS PART IN AN AMOUNT EQUAL TO 23% OF THE  
5 GROSS RENT PAID ON THE HOMESTEAD FOR THE TAX YEAR. NOTWITHSTANDING  
6 SECTION 30A OF 1941 PA 122, MCL 205.30A, THE CREDIT ALLOWED UNDER  
7 THIS SUBDIVISION IS EXEMPT FROM INTERCEPTION, EXECUTION, LEVY,  
8 ATTACHMENT, GARNISHMENT, OR OTHER LEGAL PROCESS TO COLLECT A DEBT.  
9 NO PORTION OF THE CREDIT ALLOWED UNDER THIS SUBDIVISION SHALL BE  
10 APPLIED AS AN OFFSET TO ANY LIABILITY OF THE CLAIMANT UNDER THIS  
11 PART, SECTION 30A OF 1941 PA 122, MCL 205.30A, OR ANY ARREARAGE OR  
12 OTHER DEBT OF THE CLAIMANT.

13 (2) A person who is qualified to make a claim under more than  
14 1 classification shall elect the classification under which the  
15 claim is made.

16 (3) Only 1 claimant per household for a tax year is entitled  
17 to the credit, unless both the husband and wife filing a joint  
18 return are blind, then each shall be considered a claimant.

19 (4) As used in this section, "totally and permanently  
20 disabled" means disability as defined in section 216 of title II of  
21 the social security act, 42 USC 416.

22 (5) A senior citizen who has total household resources for the  
23 tax year of \$6,000.00 or less and who for 1973 received a senior  
24 citizen homestead exemption under former section 7c of the general  
25 property tax act, 1893 PA 206, may compute the credit against the  
26 state income tax liability for a percentage of the property taxes  
27 on the homestead for the tax year determined as follows:

1 (a) If the taxable value of the homestead is \$2,500.00 or  
2 less, 100% of the property taxes.

3 (b) If the taxable value of the homestead is more than  
4 \$2,500.00, the percentage that \$2,500.00 bears to the taxable value  
5 of the homestead.

6 (6) For a return of less than 12 months, the claim shall be  
7 reduced proportionately.

8 (7) The department may prescribe tables that may be used to  
9 determine the amount of the claim.

10 (8) The total credit allowed in this section for each year  
11 shall not exceed the amount determined under section 520.

12 (9) The total credit allowable under this part and part 361 of  
13 the natural resources and environmental protection act, 1994 PA  
14 451, MCL 324.36101 to 324.36117, shall not exceed the total  
15 property tax due and payable by the claimant in that year. The  
16 amount by which the credit exceeds the property tax due and payable  
17 shall be deducted from the credit claimed under part 361 of the  
18 natural resources and environmental protection act, 1994 PA 451,  
19 MCL 324.36101 to ~~324.36117~~. **324.36116**.

20 Enacting section 1. This amendatory act does not take effect  
21 unless House Bill No. 4985 of the 99th Legislature is enacted into  
22 law.