Michigan TAXPAYER'S GUIDE

2011

Reference for the 2010 Tax Year

Dear Taxpayer:

With our varying tax laws under constant review and often changing, the task of sorting all the information put before you at this time of year becomes more and more difficult.

For the 2010 tax year, I hope to make that task a little easier by providing you with the "2011 Michigan Taxpayer's Guide." This booklet gives you the latest information on many of Michigan's tax laws, in simple-to-understand English, put together in a single publication.

This booklet contains information for the 2010 tax year on property taxes, homestead property tax credits, farmland and open space tax relief, the home heating credit program, the Michigan Income Tax, the Michigan Business Tax, and other tax-related subjects. Your attention to the information contained in this booklet may ease the burden of filling out state tax forms and may even save you money. However, this booklet is not designed to provide you with line-by-line instructions for filling out state income tax forms. That information is provided by the Michigan Department of Treasury in the income tax instruction books that include your tax forms.

This year, the income tax rate is 4.35%, and the personal exemption for taxpayers and dependents on state income tax returns is $3,600. The pension and annuity income deductions, and the interest and dividend income deduction for senior citizens are the same as they were for the 2009 tax year. The income tax form also has special categories of personal exemptions known as the Michigan special exemptions. These exemption categories are in addition to your allowable federal exemptions and include age 65 or older, deaf, blind or disabled, and unemployment compensation that amounts to 50% or more of adjusted gross income. You may exempt $2,300 of income for each special exemption category that applies to you, your spouse (if filing jointly), or dependents. There is also a $300 exemption for taxpayers and each of his or her dependents who are qualified disabled veterans.

Most taxpayers may request that their income tax refund be directly deposited into a U.S. financial account of their choice. To request direct deposit, you must fill out the direct deposit portion of your MI-1040, MI-1040CR, or MI-1040CR-2. You may also file Form 3174 and attach it to your state income tax form.

This booklet was prepared in 2011 to provide taxpayers with useful information about their 2010 state taxes. It is not meant as a substitute for Michigan Department of Treasury tax instruction booklets.

As always, I welcome your comments on this booklet or any matter of legislative concern.

The tax forms have been included as an example for taxpayers. Anyone using these forms to file their state income tax and property tax credits should consult the department's instruction booklets. Any references on these forms to page numbers refer to pages in the department's instruction booklets and not to pages in this Taxpayer's Guide.

The information in this publication is available, upon request, in an alternative, accessible format.

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Help With Your Taxes

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Prepared by the
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MICHIGAN PROPERTY TAX

The general property tax has traditionally been an important part of our state's tax structure for the funding of school districts, townships, villages, cities, and counties of the state. It has been the largest yielding tax of all of Michigan's state and local taxes. With the passage of 1993 PA 145, however, local property taxes were eliminated as a source of funding for K-12 and intermediate school district operations. With approximately 64% of the $10.2 billion in total funding for schools eliminated, it became necessary to look for a new way to restructure Michigan's tax system. In a 1994 special election, the voters of the state of Michigan approved ballot Proposal A by a two-to-one margin. This proposal, in part, raised the sales and use taxes by 2% and capped the rate of annual increases in taxable value to the rate of inflation or 5%, whichever is less. When property is transferred, it is assessed in the following year at one half of true cash value. The 2010 inflation rate, to be used in calculating 2011 capped values, is 1.7%.

The 1993 State Education Tax Act imposed a six-mill state education tax levy on all property subject to the general property tax. Public Act 312 of 1993 allows local school districts to levy not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less. Principal residences, and, pursuant to 1994 PA 136, qualified agricultural property and industrial personal property are exempt from the 18-mill levy. Commercial personal property is exempt from 12 of the mills.

A homeowner's principal residence is defined, in part, to mean that portion of a dwelling or unit in a multiple dwelling owned and occupied by the owner. A homestead also includes all of an owner's unoccupied residential property adjoining or contiguous to the dwelling owned and used as the owner's principal residence, any portion of a principal residence rented or leased as a residence to another as long as that portion rented or leased is less than 50% of the dwelling's total square footage of living space, a life care facility, or property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

Qualified agricultural property, in part, means unoccupied property and related buildings classified as agricultural or other unoccupied property and related buildings on that property devoted primarily to agricultural use. Property used for commercial storage, processing, distribution, marketing, or shipping is not qualified agricultural property, and an owner will not receive an exemption for that portion of the taxable value of the property used for a commercial or industrial purpose.

To be eligible for the homeowner's principal residence/qualified agricultural use property exemption in 2011, an owner of property must have claimed an exemption by filing an affidavit with the local tax collecting unit on or before May 1. Exemptions filed in prior years are valid until revoked. A husband and wife, filing income tax returns jointly, are generally entitled to no more than one principal residence exemption, although 2008 PA 96 allows a temporary, additional exemption for up to 3 years on an unsold homestead, and 2008 PA 43 allows members of the Armed Forces to retain their exemption if they rent their home while away on active duty. To be eligible for the agricultural use property exemption on land classified for assessment purposes as agricultural, it is not necessary to file an affidavit unless the assessor requests it.

In addition to the 18 mills in local, nonhomestead property tax permitted to be levied under 1993 PA 312, a limited number of high-revenue school districts may levy supplemental "hold harmless" mills on a principal residence and, in some circumstances, on nonhomestead property. With voter approval, an intermediate school district may also levy up to three "regional enhancement" mills on all property for school operating purposes. School districts may, with voter approval, levy up to five mills for the creation of a sinking fund to construct and repair school buildings. A school district operating a community college may continue to levy taxes for operation at a rate equal to the mills formerly authorized. With the expiration of such authorization, the district, with voter approval, may renew the millage authorization, levy additional millages, or both. Finally, an intermediate school district, pursuant to 1994 PA 258, may authorize certain millage for operating expenses, funding vocational-technical education programs and special education programs.

When looking at the property tax changes in Michigan, it is helpful to realize that, with the exception of the state education tax, the property tax is really a general term for all the real property taxes imposed by townships, school districts, counties, cities or villages, and other local units of government. Money raised through property taxes goes toward financing local services, such as police and fire protection; public education; the operation of city, village, township, and county governments; and special projects such as sewers, streets, or parks. All property taxes collected by local units of government, other than the state education tax which is sent to the School Aid Fund for distribution, are kept locally, and no part of that revenue is sent to or used by the state.

Property taxes may be collected in the summer or the winter, or in some combination. Townships traditionally collect property taxes in the winter after the agricultural harvest, but most cities now collect city property taxes in a summer levy. Under 2002 PA 244, the six-mill State Education Tax is now collected in the summer. School boards or intermediate school districts can request that a city or township collect half or all of their school taxes in the summer. If they fail to reach an agreement, the county treasurer or the school district treasurer can collect the summer school taxes. Community college levies are billed in December, but may be billed in July if the local tax collecting unit collects a summer tax. County extra-voted millage will continue to be collected in the winter. Beginning with the July 2005 property tax billing, most of the county portion of property taxes shifted incrementally to summer rather than winter collection. As of July 2007, all of the county general property tax is collected in a summer tax levy.

The following is intended to provide you with general information about this tax, the assessment of property, the equalization process, what to do if you feel your assessment is too high, and property tax rates. We include important dates when tax rates are determined, assessments are made, and taxpayers can appeal.

YOUR PROPERTY TAX ASSESSMENT

Property subject to taxation by local units of government is classified as either real or personal property. Real property consists of land and any improvements to the land, such as buildings and water and sewer facilities. Real property is further divided into the following classifications: agricultural, commercial, developmental, industrial, residential, and timber cutover. In contrast, personal property includes tangible items such as furniture, machines, and equipment belonging to a business and those items not permanently attached to land or buildings. Personal property is classified as either agricultural, commercial, industrial, residential, or utility personal property.

In 1954, the Michigan Supreme Court ruled that the "assessed value" of property shall be the value placed upon the property by the local assessing officer. The Michigan Constitution requires that property be assessed uniformly at a rate not to exceed 50% of true cash value. In 1965, the Michigan Legislature set the assessment rate at 50% of true cash value, as authorized by the Constitution. The county and the state then equalize the assessed value. Equalization is needed to ensure that property owners in all parts of the county or school district pay their fair share of that unit's taxes. Equalization provides that all similar properties are equally and uniformly assessed and serves to ensure that a school district, city, township, or village in which property is underassessed does not get more than its fair share of state aid.

Property assessment is an annual, three-step process. First, the local assessor determines the assessed value of property based on the condition of the property on December 31 of the previous year. Second, the board of commissioners in each county equalizes or applies an adjustment factor to the assessments of each city and township in which assessments are above or below the required level. Third, the State Tax Commission applies an adjustment factor to the assessments of a county when its assessments, after the county adjustments, still fail to meet the required level.

The Michigan Constitution requires uniform assessments and because, prior to 1981, some taxing jurisdictions had not assessed property at 50% of true cash value, counties and the state had equalized the assessment roll by multiplying the assessed value by a factor designed to bring the total assessed value of all real or personal property on the roll to 50% of true cash value. In carrying out this annual equalization

process, it became apparent that among the six different classes of real property and five different classes of personal property, which local units combined for assessment and equalization purposes, some were being assessed at or near the 50% rate, while others were being assessed at a considerably lower rate. This meant that when the local unit of government combined the different classes to determine what rate was needed to bring the total assessed valuation of all property up to the prescribed 50% rate, those classes that were already at or near it would be carrying a greater tax burden than those classes that were at a lower rate.

The process of equalization is now done separately for personal property and for each class of real property within each of the assessing units and the counties. Therefore, if, within an assessing unit, a particular classification of real property, such as residential, has been assessed at the proper percentage of true cash value, no equalization factor will be necessary. The 1981 equalization process was the first year in which the separate equalization by class was accomplished.

As a further step to encourage local assessors to assess property at 50% of its true cash value, 1981 PA 213 was enacted. This law has required a city or township, when its state equalized valuation exceeds its assessed valuation, to reduce its maximum authorized millage rate to produce the same amount of property tax dollars which would have been generated on the assessed valuation.

Furthermore, the law also requires that the local assessor send to each owner or person or persons listed on the assessment roll of the property a notice, by first-class mail, of an increase in the tentative state equalized valuation (SEV) or the tentative taxable value for the year. The tentative taxable value is the value used to calculate property taxes under the requirements of Proposal A. This notice must be sent at least fourteen days before the meeting of the local board of review, and it must specify each parcel of property, the tentative taxable value for the current year, and the taxable value for the immediately preceding year. The notice must also include the SEV for the immediately preceding year, the tentative SEV for the current year, the net change between the tentative SEV for the current year and the SEV for the immediately preceding year, the classification of the property, the inflation rate for the immediately preceding year, and a statement explaining the relationship between SEV and taxable value. The notice must also include a reminder that, if the owner purchased the principal residence after May 1 of the prior year, the owner must file a homeowner's principal residence exemption claim on or before May 1.

When looking at your property tax assessment, it is important to remember that property has been assessed on the basis of its usual selling price (true cash value). For tax purposes, property has traditionally been assessed at 50% of the true cash value and, on equalization, this resulted in the determination of the property's state equalized valuation (SEV). With the passage of Proposal A in March of 1994, however, the annual increase in a property's value for tax purposes, adjusted for all additions or losses, was capped at the rate of inflation or 5%, whichever is less. Taxable value is now the basis for the property tax assessment and, under 1998 PA 542, is the basis for special assessments that are levied on a millage rate basis. Therefore, a property will have both an SEV and a taxable value. Assuming that your property's true cash value rises faster than the rate of inflation or 5%, whichever is less, over time the property's taxable value may grow at a rate that is significantly lower than the rate of growth of its SEV.

Although increases in taxable value were limited under Proposal A, the taxable value of property cannot decrease absent the property's suffering of a loss due to destruction, environmental contamination, etc. (MCL § 211.34d) or deflation as reflected by the consumer price index. The taxable value must increase by the rate of inflation (or decrease by the rate of deflation) regardless of whether or not the SEV remains the same or decreases, unless the SEV actually decreases to an amount less than the preceding year's taxable value multiplied by the inflation rate. At this point, the taxable value will decrease to the SEV, but no further. The inflation rate used to calculate 2011 taxable values is 1.7%.

When a property is transferred, however, the following year's SEV becomes the property's taxable value. A transfer of ownership occurs when a title or present interest in the property is transferred by, but not limited to, conveyance by deed, land contract, trust, distribution under a will, and certain leases. Transfers of property from one spouse to the other spouse or from a decedent to a surviving spouse, among other exceptions, are not considered to be a transfer of ownership.

In addition, legislation enacted in 2000 eliminated the pop-up from taxable value to SEV when eligible farmland is transferred to new owners. Part of an agricultural preservation package recommended by the Senate Agricultural Preservation Task Force, 2000 PA 260 provided that when someone purchases eligible farmland they may file an affidavit testifying that the property would remain in agricultural use for at least seven years, and the transfer would not trigger the pop-up from taxable value to SEV for assessment purposes.

Applicable for all transfers of agricultural property since January 1, 2000, the pop-up elimination assures that the property will be assessed on taxable value as if the transfer did not occur. If the property has a change in use out of agricultural production, however, 2000 PA 261 provides that a portion of the benefits of the property tax pop-up elimination will be recaptured. The proceeds of the recapture are dedicated to the Agricultural Preservation Fund for local property development rights preservation programs under 2000 PA 262. A similar law was enacted in 2006 (2006 PA 446). It exempts from the pop-up transfers of land subject to a conservation easement.

THE BOARD OF REVIEW

If, for any reason, you disagree with the assessed value, taxable value, or assessment classification of your property, you may appeal to your local governmental board of review. Township boards of review are comprised of three, six, or nine voters who are appointed by the township board. If the board consists of six or nine members, it will be split into committees of three. A township may also appoint up to two alternate members. An immediate family member of the assessor may not be a member of the board of review. Two-thirds of the board must be comprised of property taxpayers in the township. The size, composition, and appointment of city boards of review vary according to requirements of their respective charters. Cities may also establish boards of review in the same manner as townships.

Township review boards meet on the Tuesday following the first Monday in March to review the roll and, in the week containing the second Monday in March, to hear protests. As an alternative, the township may choose an alternate start date of either the Tuesday or Wednesday following the second Monday in March. The board must meet for a total of at least 12 hours in the second week of March. Review boards in townships must meet at least three hours after 6:00 p.m. Boards of review also meet in July and in December to correct qualified errors in the roll, including adjustments for property incorrectly listed as having had a transfer of ownership or certain other errors regarding the taxable status of the property. These meeting dates are also used for disputes over claims for the homeowner's principal residence, poverty, and initial qualified agricultural property exemptions. Under 2008 PA 122, townships may adopt alternate start dates for the July or December boards of review. These meetings may take place during the week of the third Monday in July and during the week of the second Monday in December. The meeting times for city boards of review vary according to requirements of their respective charters. For places and times of their meetings, watch your newspaper or call your local city or township hall. If you are not satisfied with the judgment of the board of review, you may appeal its decision to the Michigan Tax Tribunal.

It is important that you appeal to the local board of review if you think your property is unfairly assessed relative to similar property. To make an appeal at the state level, you must have first appealed your assessment locally. This is because the county or state equalization process may require an adjustment which could increase your SEV above 50% of true cash value level if your property is not properly assessed by the local assessor. If a taxpayer has his or her assessed value or taxable value reduced as a result of a protest, the assessor must use that reduced amount as the basis for determining the next year's assessment.

The governing body of a city or township may authorize, by adoption of an ordinance or resolution, nonresident taxpayers to file a protest before the board of review by letter without a personal appearance by taxpayers or their representatives. If such an ordinance or resolution is adopted, the township or city must notify taxpayers of this option in their assessment notices. In addition, the law requires a local review board to send a written notification of the board's action to every individual who makes a request, protest, or application for correction of property assessment.

If your homeowner's principal residence exemption claim is denied, you may appeal that denial to the Residential and Small Claims Division of the Michigan Tax Tribunal within 35 days of the notice of the denial. If the initial denial is for an exemption that was not on the tax roll, the first appeal is made with the Department of Treasury. If it is again denied, it would be appealed to the Tax Tribunal. The March board of review has no authority over claims for homeowner's principal residence exemptions. These claims may be granted by the July or December boards of review for the current year and the immediately preceding three years.

THE MICHIGAN TAX TRIBUNAL

Under the Tax Tribunal Act, an independent tax tribunal has the power to hear appeals of judgments of the local boards of review. The tribunal is a quasi-judicial body whose seven members are appointed by the Governor and confirmed by the Michigan Senate.

If you do not believe that you received a fair and equitable response from your local board of review, you may appeal your assessment to the Michigan Tax Tribunal. Generally, you must file your appeal of property classified as commercial real, industrial real, developmental real, commercial personal, industrial personal, or utility personal on or before May 31 of the tax year involved. Appeals of property classified as residential real, agricultural real, timber cutover real, or agricultural personal must be filed before July 31 of the tax year involved. To make an appeal of the valuation of property to the state level, you must have first appealed your assessment to the local board of review, unless you have an appeal pending.

If you have an appeal for a prior year pending before the Michigan Tax Tribunal for claims of property tax exemption or before the Tribunal's Residential Property and Small Claims Division which has not yet been heard, the Tax Tribunal Act provides that an opportunity will be made available upon receipt of the Tribunal's notice of hearing for you to amend the appeal to include subsequent assessment disputes. You may request that any subsequent year be excluded at the time of the hearing.

In addition to hearing appeals from judgments of boards of review, the Residential Property and Small Claims Division also has exclusive jurisdiction over claims for agricultural and homeowner's principal residence exemptions. An appeal of a claim for a homeowner's principal residence exemption must be filed with the division within 35 days after the assessor, county treasurer, or county equalization director denies a claim for exemption. If the Department of Treasury denied a claim that was not on the tax roll, the appeal must be filed within 35 days of the decision. An appeal of a claim for a poverty exemption must be filed by June 30, if the claim was denied at the March board of review. A claim must be filed within 30 days if the July or December board of review (which are held to correct errors in the roll) denies a claim of exemption.

There is no fee for the filing of a homeowner's principal residence property tax appeal with the Residential Property and Small Claims Division of the Michigan Tax Tribunal. The fees for filing of other property tax appeals are on a scale determined by the amount of SEV in contention. The minimum fee for filing other appeals of a property's taxable value with the Residential Property and Small Claims Division is $25.00 unless the amount of SEV in contention is more than $20,000 in which case the fee is based on the amount in contention.

An initial letter of appeal to the Michigan Tax Tribunal should be addressed to the Michigan Tax Tribunal, P.O. Box 30232, Lansing, MI 48909. The letter should state: (1) that you have protested the assessed value this year at your local board of review; (2) the number of assessments you are appealing; and (3) the location of the property by village, city, or township and county.

YOUR PROPERTY TAX RATES

The tax rate (millage) is the number of tax dollars the taxpayer must pay for each $1,000 of taxable value. This rate varies by local unit, but certain statewide constitutional and statutory restrictions exist. The rate may not exceed 15 mills ($15 per $1,000) except in counties in which allocation among jurisdictions is permanently fixed by the voters at up to 18 mills. Excluded from these limitations are: (1) debt service

taxes for all debts of local units approved by the electorate; (2) extra-voted millage rates up to 50 mills, including allocated mills, for not more than 20 years; and (3) taxes imposed by those units having tax limitations provided by charter or general law (cities, villages, charter townships, charter counties, and charter authorities). As part of Proposal A, 1993 PA 314 provides that local school districts may no longer levy allocated mills and the 15-mill limit is reduced by the number of allocated school mills in 1993.

With the passage in 1978 by Michigan voters of Proposal E, the Headlee Tax Limitation Amendment, the Michigan Constitution was amended to require that if the SEV of existing property in a local unit of government increased by more than the consumer price index, the millage rate must be reduced to yield the same amount of revenue, adjusted for inflation, as could have been collected at the existing authorized rate. With the passage of Proposal A, this millage reduction is made using taxable value. The Michigan Legislature placed in law a formula by which a local unit of government must reduce its maximum authorized millage when its state equalized value/taxable value increases by a percentage greater than the percentage of increase in the average annual consumer price index, not including that part of the increase that is caused by new construction and improvements.

However, because the rate of inflation since 1979 was often higher than the annual increases in the property value of many local units of government, millages had not been reduced nearly enough to satisfy some homeowners. To deal with this situation, and to ensure that local governing bodies have control over whether property taxes increase, 1982 PA 5 was enacted. This law, known as the "Truth in Taxation Act," has limited the amount of property tax a local unit can collect to what was collected the previous year, plus the taxes yielded from new additions to the property tax roll. This procedure is carried out by reducing the millage rate to the level which will yield that amount of property tax revenue. The limit can only be increased by a local governing body after it advertises its intent to collect higher taxes, conducts a special public hearing on the specific subject, and then votes to approve the additional millage rate. Taxing units that comply with the "Truth in Budgeting" requirements of the Uniform Budgeting and Accounting Act, however, are exempt from the "Truth in Taxation" notice and public hearing requirements when the hearing is intended to cover both the proposed budget and the proposed tax rate. Legislation enacted in 1999 prohibits the rounding up of millage rates to avoid fractions in computing taxes. Under 1999 PA 38, assessors must round down millage rates to four decimal places and round down tax amounts to the nearest one cent.

To determine what your property tax will be for the year, multiply your total local millage rate by your taxable value. A mill equals one one-thousandth of a dollar ($1 of tax for each $1,000 of taxable value). For example, if your local millage rate is 32 mills ($32 per $1,000 of taxable value) and your taxable value is $100,000, the formula would be $32 x 100, for a property tax of $3,200. In addition, the Michigan Department of Treasury has a property tax estimator on its website (http://www.michigan.gov/treasury). To evaluate the real cost of property taxes to you, it is necessary to relate your property tax bill to the program of tax credits and deductions discussed beginning with page 19 of this booklet. In 2010, for example, 1.6 million eligible Michigan homeowners and renters received credits averaging about $585 from the state through the homestead property tax credit program, for a total of nearly $957 million.

In 2009, the state had an average millage rate of 39.13 mills, which generated $14.11 billion in general property tax revenue collected by local units of government. The $14.11 billion was divided among local units of government as follows:

Local Unit of Government	2009 Percent of Total Mills Levied	2009 Estimated Dollars Levied (in Millions)
County	15.76%	$2,223.0
Township	6.95	980.2
City	17.95	2,532.3
Village	0.72	102.0
School	43.83	6,184.8
State Education Tax	14.79	2,087.4

SPECIAL ASSESSMENT DEFERMENT

Many senior citizens have been concerned that rising property taxes could force them from their homes. The homestead property tax reforms approved by Proposal A in 1994 and the homestead property tax credit program have helped alleviate this problem for many, but those measures do not address the matter of special assessments, which include assessments for the installation of curbs, gutters, sidewalks, pavements, and drains; tap-in water and sewer fees; roads; and police and fire services, among others. Public Act 225 of 1976, as amended, has provided specific relief in this regard.

Under the provisions of this law, as amended, a homeowner who is 65 years of age or older or who is totally and permanently disabled, and who is a citizen of the United States, a resident of this state for five or more years, the sole owner of the homestead for five or more years, and whose annual household income was not more than $21,147 in 2009, is eligible to defer special assessments on that homestead. The total amount of the special assessment to be deferred, exclusive of interest, cannot be less than $300. Since January 1, 1984, the limit on household income for special assessment deferments has been adjusted annually according to the annual average percentage increase or decrease in the Detroit Consumer Price Index.

Special assessments will be deferred until one year after the owner's death or until the homestead is sold, conveyed, or transferred to someone else. Death of a spouse, however, will not terminate the deferment for the surviving spouse, unless the surviving spouse remarries.

Other significant provisions of 1976 PA 225 are:

1. That a homeowner who meets the eligibility requirements for deferment of a special assessment, and who borrowed from a lending institution to pay a special assessment before January 8, 1981, is eligible to receive money from a special revolving fund. This fund was established within the Michigan Department of Treasury to allow these individuals to repay the lending institution the principal amount used to pay the special assessment;
2. That the owner or owner's estate pay an interest penalty of 1% per month if the property on which a special assessment deferment has been granted is sold and the deferment has not been terminated. The interest penalty is charged from the date of sale of the property; and
3. For those who qualify for a special assessment deferment, the payment of the deferred special assessment by the owner or the owner's estate will include an interest charge of 1% per month or fraction of a month.

SUMMER PROPERTY TAX DEFERMENT

Many homeowners are required to pay summer property taxes which become due well before state homestead tax refund checks are issued. However, section 51 of the General Property Tax Act requires any local unit of government collecting a summer property tax to defer collection of the tax until the following February 15, for the following categories of people:

1. Homestead property of a taxpayer who is totally and permanently disabled, blind, paraplegic, quadriplegic, hemiplegic, a senior citizen (age 62 or over, including the unremarried surviving spouse of a person who was 62 years of age or older at the time of death), eligible serviceperson, eligible veteran, or an eligible widow or widower, and whose total household income in the prior taxable year did not exceed $40,000.

2. Property classified or used as agricultural real property, if the gross receipts of the agricultural or horticultural operations in the previous year or the average gross receipts of such operations in the previous three years are not less than the owner's household income in the previous year.

To claim a deferment, a taxpayer must file an intent to defer with the treasurer of the property tax collecting unit. Persons eligible for the deferment must file by September 15 of the tax year or by the time the tax would become subject to interest or late penalty charges. If different treasurers collect school and municipal summer taxes, an intent to defer must be filed with each to defer the collection of each. Summer property taxes deferred under this procedure, which are not paid by the following February 15, shall not be subject to penalties or interest for the period of the deferment. This allows you to apply for and receive your homestead property tax rebate before the taxes are due. If you think you qualify for the summer deferment or waiver, contact your local treasurer for an application.

Section 44 of the General Property Tax Act authorizes local property tax collecting units to collect up to a 1% property tax administration fee and, on taxes paid after February 15, a 3% late penalty charge. In order to impose a property tax administration fee, collection fee, or any type of late penalty charge, the governing body of the local property tax collecting unit must adopt a one-time ordinance or resolution authorizing their imposition. However, the 3% late penalty charge may be waived by the local governing body of a city or township for the homestead property of a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible serviceperson, eligible veteran, eligible widow or widower, totally and permanently disabled person, or blind person if that individual can demonstrate to the local treasurer that a claim has been filed for a property tax credit and not received by February 15. In addition, the governing body of a local property tax collecting unit may waive all or part of the property tax administration fee or the late penalty charge, or both.

WINTER TAX DEFERMENT AND WAIVER

A taxpayer who is a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible serviceperson, eligible veteran, eligible widow or widower, or who is totally and permanently disabled or blind may be able to delay paying the winter taxes on his or her homestead until April 30 of the first year of delinquency. Section 59 of the General Property Tax Act allows county boards of commissioners to waive for those taxpayers any interest, fee, or penalty in excess of the interest, fee, or penalty that would have been added if the tax had been paid by February 15 if they:

1. Have applied for a property tax credit before February 15;
2. Have not received their refund before March 1; and
3. Present a copy of the property tax credit form to their county treasurer.

However, this deferral is permitted only if a county board of commissioners adopts a resolution approving the deferral.

The law also requires the county treasurer to waive the county's property tax administration fee and to either waive or refund interest charges on delinquent taxes for taxpayers who meet the above qualifications. Contact your county treasurer to determine if your county has made the deferment available and to determine if you qualify.

POVERTY EXEMPTION

Section 7u of the General Property Tax Act, being MCL § 211.7u, as amended by 1994 PA 390, provides that eligible homeowners may apply for an exemption from paying property taxes. To be eligible for an exemption, a homeowner must apply to the local assessing unit after January 1 but before the day prior to the last day of the board of review.

A person may be eligible to request an exemption if they, at a minimum, owned and occupied the property as their homestead, demonstrated evidence of ownership and identification, and meet poverty income standards. The board of review of the assessing unit would determine if the applicant meets the minimum requirements for exemption and if the application should be granted or denied based on the guidelines for both income and asset levels adopted by the local unit of government. These standards are to be made available to the public. Appeals of poverty exemption denials may be brought before the July or December board of review.

2011 PROPERTY TAX AND COLLECTIONS CALENDAR

This 2011 Property Tax and Collections Calendar has been prepared in accordance with all legislation and directives of the Attorney General applicable to 2011 property taxes. The interpretation of these statutes and directives does not constitute a legal opinion but is rather a statement of the facts, as the State Tax Commission believes them to be.

It should be noted that the statutory requirement for assessments, before and after county and state equalization, is still 50% of True Cash Value, and that the Constitution still requires that assessments NOT exceed 50% of True Cash Value, before and after county and state equalization.

Section references are as assigned in the Michigan Compiled Laws (MCL).

TAX DAY FOR 2011 PROPERTY TAX ASSESSMENTS AND DEADLINE FOR SUBMITTING EQUALIZATION STUDIES USED TO SET THE STARTING BASE FOR 2011 EQUALIZATION

December 31, 2010

Tax day for 2011 assessments and 2011 property taxes (MCL 211.2).

Deadline for counties to file 2010 equalization studies for 2011 starting bases with the State Tax Commission (STC) for all classifications in all units on STC form L-4018 (Administrative Rule R 209.41). (**January 3, 2011 because of the holidays.)**

Deadline for an owner that had claimed a conditional rescission of a Principal Residence Exemption to verify to the assessor that the property still meets the requirements for the conditional rescission through a second and third year annual verification of a **Conditional Rescission of Principal Residence Exemption** (PRE) (form 4640) (MCL 211.7cc(5)).

SIGNIFICANT 2011 PROPERTY TAX AND COLLECTIONS DATES

January 24, 2011

Distribution of Taxes:

LOCAL UNITS WITH A STATE EQUALIZED VALUATION (SEV) OF $15,000,000 OR LESS: 2010 taxes collected by January 10 must be distributed on or before January 26 (MCL 211.43(5)).

ALL OTHER LOCAL UNITS:
Make distribution of 2010 taxes collected within ten business days after the 1st and 15th of each month except March (MCL 211.43(3)(a)).

February 1

Deadline for a "**qualified business**" to submit STC form L-4143 for "qualified personal property" with the assessor (MCL 211.8a).

Notice by certified mail to all properties that are **delinquent on their 2009 taxes** (MCL 211.78f(1)).

February 14

Last day to pay property taxes without the imposition of a **late penalty charge** equal to 3% of the tax in addition to the property tax administration fee, if any (MCL 211.44(3)).

3% penalty may be added to 2010 tax if authorized by the governing body of a city or township. The governing body may waive the penalty for the homestead property of a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible service person, eligible veteran, eligible widow or widower, totally and permanently disabled or blind persons, if that person has filed a claim for a homestead property tax credit with the State Treasurer before February 15. Also applies to a person whose property is subject to a farmland/development rights agreement if they present a copy of the development rights agreement or verification that the property is subject to the development rights agreement before February 15 (MCL 211.44(3)). If statements are not mailed by December 31, the local unit may not impose the 3% late penalty charge (MCL 211.44(3)).

February 15

A local unit of government that collects a summer property tax shall **defer the collection** until this date for property which qualifies (MCL 211.51(2)).

The **STC reports assessed valuations for Department of Natural Resources and Environment (DNRE) lands** to assessors (MCL 324.2153(2)).

SIGNIFICANT 2011 PROPERTY TAX AND COLLECTIONS DATES (CONTINUED)

February 18 February 19 is a Saturday February 20 is a Sunday	The STC certifies **metallic mineral property assessments** to assessors before February 20 (MCL 211.24).
February 21	**Deadline** for county equalization director **to publish in a newspaper the tentative equalization ratios** and estimated SEV multipliers for 2011 (third Monday in February) (MCL 211.34a).
February 22 February 20 is a Sunday February 21 is a Holiday	**Deadline for taxpayer filing of personal property statement** with assessor. Deadline for taxpayer to file form 3711 if a claim of exemption is being made for heavy earth moving equipment. (See STC Bulletin 4 of 2001 (MCL 211.19).)
February 28	**Last day for local treasurers to collect 2010 taxes** (MCL 211.45).
March 1	The STC shall publish the **inflation rate multiplier** before this date (MCL 211.34d(15)). First Monday in March: The **2010 assessment roll shall be completed and certified** by the assessor (MCL 211.24). Properties with **delinquent 2009 taxes forfeit** to the county treasurer (MCL 211.78g). Local units to turn over 2010 delinquent taxes to the county treasurer (MCL 211.78a(2)). On March 1 in each year, taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent for collection. However, if the last day in a year that taxes are due and payable before being returned as delinquent is on a Saturday, Sunday, or legal holiday, the last day taxes are due and payable before being returned as delinquent is on the next business day and taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent on the immediately succeeding business day. **County treasurer commences settlement with local unit treasurers** (MCL 211.55). County property tax **Administration Fee of 4% added to unpaid 2010 taxes** and interest at 1% per month (MCL 211.78a(3)).
March 7	The **2011 assessment roll shall be completed and certified** by the assessor. (MCL 211.24(1)).
March 8	Tuesday following the first Monday in March: The assessor/supervisor shall **submit the 2011 certified assessment roll to the Board of Review** (BOR) (MCL 211.29(1)). Tuesday following first Monday in March: **Organizational meeting of township BOR** (MCL 211.29). City BOR may vary according to Charter provisions.
March 14	Second Monday in March: **The BOR must meet on the second Monday in March**. This meeting must start not earlier than 9 a.m. and not later than 3 p.m. The BOR must meet one additional day during this week and shall hold at least three hours of its required sessions during the week of the second Monday in March after 6 p.m. (MCL 211.30). **Note:** The governing body of a city or township may authorize an alternative starting date for the second meeting of the March BOR, which can be either the Tuesday or the Wednesday following the second Monday in March. Within ten business days after the last day of February, at least **90% of the total tax collections on hand on February 28 must be delivered** by the local unit treasurer to the county and school district treasurers (MCL 211.43(3)(b)).
March 31	**Last day to pay all forfeited 2008 delinquent taxes, interest, penalties and fees, unless an extension has been granted by the circuit court. If unpaid, title to properties foreclosed for 2008 real property taxes vests solely in the foreclosing governmental unit** (MCL 211.78k).
Before April 1	**School district or intermediate school district (ISD) MUST reach agreement for summer tax collection with township or city, or county if there is a summer school levy** (MCL 380.1613(2)).
April 1	Separate **tax limitations voted after April 1** of any year are not effective until the subsequent year (MCL 211.205i(2)). Not later than April 1, **local unit treasurers make final adjustment and delivery** of the total amount of tax collections on hand (MCL 211.43(3)(c)).

SIGNIFICANT 2011 PROPERTY TAX AND COLLECTIONS DATES (CONTINUED)

April 4	First Monday in April: **Last day for March BOR** protest of assessed value, taxable value, property classification or denial by assessor of continuation of qualified agricultural property exemption (MCL 211.30a).
April 6	The **township supervisor or assessor shall deliver completed assessment roll**, with BOR certification, to the county equalization director not later than the tenth day after adjournment of the BOR or by April 6 (the Wednesday following the first Monday in April), whichever date occurs first (MCL 211.30(6)). An assessor shall file STC form L-4021 with the county equalization department and STC form L-4022 (signed by the assessor) with the county equalization department and the STC, **immediately following adjournment of the BOR**.
April 12	Tuesday following second Monday in April: **County board of commissioners meets in equalization session** (MCL 209.5 and MCL 211.34). The county equalization director files a tabular statement of the county equalization adopted by the county board of commissioners on STC form L-4024, prescribed and furnished by the STC, immediately after adoption. County equalization shall be completed and STC form L-4024 filed with the STC prior to May 2, 2011 (first Monday in May).
April 18	Third Monday in April: **Equalization director files separate STC form L-4023** for each unit in the county with the STC (MCL 211.150). **Allocation board meets** and receives budgets (MCL 211.210).
April 29 April 30 is a Saturday May 1 is a Sunday	**Final day for completion of delinquent tax rolls** (MCL 211.57(1). **Last day of deferral period for winter** (December 1) property tax levies, if the deferral for qualified taxpayers was authorized by the county board of commissioners (MCL 211.59(3)).
May 2 * May 1 is a Sunday	**Deadline for filing Homeowner's Principal Residence affidavits** (form 2368) for exemption from the 18-mill school operating tax (MCL 211.7cc). **Denial of a Homeowner's Principal Residence exemption** may be appealed by the owner to the Small Claims Division of the Michigan Tax Tribunal (MTT) within 35 days after the date of the notice of denial. Deadline for filing the initial request (first year) of a **Conditional Rescission of Principal Residence Exemption (PRE)** (form 4640) (MCL 211.7cc(5)). **Deadline for filing a PRE Active Duty Military affidavit** to allow military personnel to retain a PRE for up to three years if they rent or lease their principal residence while away on active duty. **Deadline for filing the Farmland Exemption affidavit** (form 2599) with the local assessor if the property is NOT classified agricultural or if the assessor asks an owner to file it to determine whether the property includes structures that are not exempt. First Monday in May: **Deadline for filing official county board of commissioners report of county equalization (L-4024) with the STC**. Appeal from county equalization to the MTT must be filed within 30 days after the adoption of the county equalization report by the county board of commissioners (MCL 205.735). First Monday in May: **Deadline for assessor to file tabulation of Taxable Valuations for each classification of property with the county equalization director** on STC form L-4025 to be used in "Headlee" calculations (MCL 211.34d(2)). **Update Michigan Department of Education (MDE) DS-4410:** The MDE requests that county treasurers update the online taxable value system found at http://mdoe.state.mi.us/taxablevalue.
May 9	Second Monday in May: **Preliminary SEV** recommendations presented to the STC (MCL 209.2).
May 15	Not later than this date, the state must have prepared an **annual assessment roll for the state-assessed properties** such as telephone companies and railroads (MCL 207.9(1)).

* *Requirements of Section 31 of Article IX of State Constitution and of MCL sections 211.34(1) and 211.34d.*

SIGNIFICANT 2011 PROPERTY TAX AND COLLECTIONS DATES (CONTINUED)

May 16 *	Third Monday in May: **County allocation boards must issue preliminary order** (MCL 211.215). Third Monday in May: **County equalization director completes STC form L-4028** for millage reduction fractions with all information available within each single county. Copy of STC form L-4028 is filed with the STC and with the director of the equalization department in each county which shares inter-county taxing jurisdictions.
May 23	Fourth Monday in May: State equalization proceeding – **final state equalization** order is issued by the STC (MCL 209.4).
May 27	If as a result of state equalization the taxable value of property changes, the assessing officer of each township or city shall **revise the millage reduction fractions** on or before the Friday following the fourth Monday in May (MCL 211.34d(2)).
After May 26 and Before June 1	**Last day for allocation board hearing** (not less than 8 days or more than 12 days after issuance of preliminary order) (MCL 211.215).
May 31 (MTT)	**Appeals of property** classified as commercial real, industrial real, developmental real, commercial personal, industrial personal or utility personal must be made by filing a written petition with the MTT on or before May 31 of the tax year involved (MCL 205.735a(6)).
By June 1	**Assessment roll due to county treasurer if local unit is not collecting summer taxes** (MCL 211.905b(6)(a)). Not later than June 1, the township or city shall deliver a copy of the assessment roll to the county treasurer. **First notice sent to all properties that are delinquent on 2010 taxes** (MCL 211.78b). No later than June 1, the **county treasurer delivers to the State Treasurer a statement listing the total amount of state education tax (SET)** not returned delinquent that was collected by the county treasurer, and collected and remitted to the county treasurer by each city or township treasurer, together with a statement for the county and for each city or township of the number of parcels from which the SET was collected, the number of parcels for which the SET was billed, and the total amount retained by the county treasurer and by the city or township treasurer (MCL 211.905b(11)).
June 1	Requests are due from a Brownfield Redevelopment Authority, Tax Increment Finance Authority, Local Development Financing Authority or Downtown Development Authority for **state reimbursements of tax increment revenue decreases** as a result of the Michigan Business Tax (MBT) reduction in personal property taxes (not later than June 1). Form 4650. (Public Acts 154-157 of 2008.)
June 6 *	First Monday in June: **Deadline for notifying** protesting taxpayer in writing **of BOR action** (MCL 211.30(4)). County equalization director **calculates current year millage reduction fractions** including those for inter-county taxing jurisdictions. The completed, verified STC form L-4028 is filed with the county treasurer and the STC on or before the first Monday in June (MCL 211.34d(3)).
June 13	**Allocation board must issue final order** not later than the second Monday in June (MCL 211.216).
June 15	Deadline for submission of water pollution control, PA 451 of 1994, Part 37, and air pollution control, PA 451 of 1994, Part 59, tax exemption applications to the state tax commission. Note: Applications for the above exemption programs received on or after June 16 shall be considered by the commission contingent upon staff availability. Deadline for the assessor's report to the STC on the status of each Neighborhood "homestead" exemption granted under the Neighborhood Enterprise Zone Act (MCL 207.786(2)). Form 4626 assessing officers report of taxable values as of state equalization due to the STC.
June 27	Fourth Monday in June: **Deadline** for equalization directors **to file tabulation of final Taxable Valuations** with the STC on STC form L-4046 (MCL 211.27d).

** Requirements of Section 31 of Article IX of State Constitution and of MCL sections 211.34(1) and 211.34d.*

SIGNIFICANT 2011 PROPERTY TAX AND COLLECTIONS DATES (CONTINUED)

Before June 30	**Summer Tax Levy for School Millage Detail and Tax Roll** (MCL 380.1613(4)(c)). Before June 30 the county treasurer or the treasurer of the school district or intermediate school district shall spread the taxes being collected.
	County treasurer to spread summer SET and county allocated and prepare tax roll (MCL 211.905b(6)(b)). Not later than June 30, the county treasurer or the state treasurer shall spread the millage levied against the assessment roll and prepare the tax roll.
June 30	**Deadline for classification appeals** to the STC (MCL 211.34c(6)). A classification appeal must be filed with the STC in writing on or before June 30. BORs must provide the taxpayer with the form to appeal their classification.
	Deadline for county equalization director **to file Interim Status Report** of the ongoing study for the current year (Administrative Rule R 209.41).
	Township supervisor shall prepare and furnish the summer tax roll before June 30 to the township treasurer with supervisor's collection warrant attached if summer school taxes are to be collected (MCL 380.1612)(1)).
July 1	**Taxes due and payable in those jurisdictions authorized to levy a summer tax**. (Charter units may have a different due date) (MCL 211.44a(2) and MCL 211.44a(3)).
By the 1st day of each month	**County treasurer must account for and deliver** to the state the **SET collections** on hand on or before the 15th of the immediately preceding month (MCL 211.43(10)).
By the 15th day of each month	**County treasurer must account for and deliver** to the state the **SET collections** on hand on the last day of the preceding month (MCL 211.43(10)).
July 19	Tuesday following the third Monday in July: **The July BOR may be convened to correct a qualified error** (MCL 211.53b). The governing body of the city or township may authorize, by adoption of an ordinance or resolution, 1 or more of the following alternative meeting dates for the purposes of this section: An alternative meeting date during the week of the third Monday in July (MCL 211.53b(7)(b)).
	An owner of property that is a **"Principal Residence"** on May 1 **may appeal to the July BOR** in the year for which an exemption was claimed or in the immediately succeeding 3 years if the exemption was not on the tax roll (MCL 211.7cc(19)).
	An owner of property that is **Qualified Agricultural Property** on May 1 **may appeal to the July BOR** for the current year and the immediately preceding year if the exemption was not on the tax roll (MCL 211.7ee(6)).
	July BOR may hear appeals for current year only for poverty exemptions, <u>but not</u> poverty exemptions denied by the March BOR (MCL 211.7u). (See page 12 of STC Bulletin No. 12 of 1997.)
July 31 (MTT)	**Appeals of property classified as residential real, agricultural real, timber-cutover real or agricultural personal** must be made by filing a written petition with the MTT on or before July 31 of the tax year involved (MCL 205.735a(6)).
	A protest of assessed valuation or taxable valuation or the percentage of Qualified Agricultural Property exemption subsequent to BOR action, must be filed with the MTT, in writing on or before July 31.
July 31	**Industrial Facilities Exemption Treasurer's Report (Form 170)** must be filed with Assessment and Certification on or before July 31 of the tax year involved.
August 15	Third Monday in August: **Deadline for taxpayer to file appeal directly with the MTT if final equalization multiplier** exceeds tentative multiplier and a taxpayer's assessment, as equalized, is in excess of 50% of true cash value (MCL 205.737(7)).
September 1	**Second notice by first class mail to all properties that are delinquent on 2010 taxes** (September 1) (MCL 211.78c).
	Update MDE DS-4410: The MDE requests that county treasurers update the online taxable value system found at http://mdoe.state.mi.us/taxablevalue.

SIGNIFICANT 2011 PROPERTY TAX AND COLLECTIONS DATES (CONTINUED)

September 14	**Summer Taxes Due:** Summer taxes due, unless property is located in a city with a separate charter due date (September 14) (MCL 211.107, MCL 211.905b(10), MCL 380.1613).
	Last day of deferral period for summer property tax levies, if the deferral for qualified taxpayers was authorized by the county board of commissioners (September 14) (MCL 211.51(7)).
September 15	**Interest of 1% per month will accrue if the payment is late for the SET and county taxes** that are part of the summer tax collection (MCL 211.44a(5) and MCL 211.905b(9)). Note: date may be different depending on the city charter.
September 30 *	**Clerk of township or city delivers** to supervisor and county clerk a **certified copy of all statements, certificates, and records of vote directing monies to be raised by taxation of property** (September 30) (MCL 211.36(1)).
	Financial officer of each unit of local government computes tax rates in accordance with MCL 211.34 and MCL 211.34d and governing body certifies that rates comply with Section 31, Article IX of the State Constitution of 1963 and MCL 211.24e, Truth in Taxation, on STC form L-4029 on or before September 30.
October *	**County prosecutor is obligated by statute to furnish legal advice promptly regarding the apportionment report.** A county board of commissioners shall not authorize the levy of a tax unless the governing body of the taxing jurisdiction has certified that the requested millage has been reduced, if necessary, in compliance with Section 31 of Article IX of the State Constitution of 1963 and MCL 211.34(1), MCL 211.34d, and MCL 211.37. The county board of commissioners also receives certifications that Truth in Taxation hearings have been held if required (MCL 211.24e).
October 1	**County treasurer adds $15 for each parcel of property for which the 2010 real property taxes remain unpaid** (MCL 211.78d).
	Property owners must submit completed form 4449 Qualified Forest Tax Exemption (PA 378 of 2006), with two copies of the forest management plan to the DNRE. Must be postmarked no later than October 1 prior to the year of the applied exemption.
October 14 October 15 is a Saturday	**The assessor reports status of Industrial Facility Tax property, to the STC** (MCL 207.567(2)).
	Governmental units report to the STC on the status of each exemption granted under the Commercial Redevelopment Act (MCL 207.666).
	Qualified local governmental units report to the STC on the status of each exemption granted under the Commercial Rehabilitation Act (MCL 207.854).
	The assessor's annual report of the determination made under MCL 207.783(1) to each taxing unit that levies taxes upon property in the local governmental unit in which a new facility or rehabilitated facility is located and to each holder of the Neighborhood Enterprise Zone certificate (MCL 207.783(2).
	Qualified local governmental units report to the STC on the status of each exemption granted under the Obsolete Property Rehabilitation Act (MCL 125.2794).
October 20	**Update MDE DS-4410:** The MDE requests that county treasurers update the online taxable value system found at http://mdoe.state.mi.us/taxablevalue based on this schedule: http://www.michigan.gov/documents/TAXABLE_VALUE_CALENDAR_96138_7.pdf.
	This information is completed by county treasurers for EVERY year back to the 1994 tax year showing revisions to taxable values due to (but not limited to) MTT and STC decisions, homestead audits, personal property audits, etc., that are made after the county treasurers are in possession of the tax rolls. These adjustments are fewer in number as the years progress. These numbers generate a below-the-line foundation adjustment for the school fiscal year affected.
October 31	**October apportionment session of the county board of commissioners** to examine certificates, direct spread of taxes in terms of millage rates to be spread on Taxable Valuations. County equalization director submits apportionment report to the STC (by October 31) (MCL 207.12 and MCL 211.37).

* *Requirements of Section 31 of Article IX of State Constitution and of MCL sections 211.34(1) and 211.34d.*

SIGNIFICANT 2011 PROPERTY TAX AND COLLECTIONS DATES (CONTINUED)

October 31 *(continued)*	Deadline for submission of New Personal Property (PA 328 of 1998), Obsolete Property (PA 146 of 2000), Commercial Rehabilitation (PA 210 of 2005), Neighborhood Enterprise Zone (PA 147 of 1992), and Industrial Facilities Tax (PA 198 of 1974), tax exemption applications to the State Tax Commission. Note: Applications for the above exemption programs received on or after November 1 shall be considered by the commission contingent upon staff availability.
November 5	On or before November 5, **township supervisor shall notify township treasurer of the amount of county, state and school taxes apportioned in township** to enable treasurer to obtain necessary bond for collection of taxes (MCL 211.43(1)).
November 28	On or before November 28, **township treasurer gives county treasurer a bond running to the county in the actual amount of county, state and school taxes** (MCL 211.43(2)).
December 1	**2011 taxes due and payable to local unit treasurer are a lien** on real property. Charter cities or villages may provide for a different day (MCL 211.40). **Tax levy reports from assessors to the STC are due. County Apportionment Report to the STC is due** (MCL 207.12). On or before December 1, **county treasurer delivers to township supervisor a signed statement of approval of the bond and the township supervisor delivers the tax roll to the township treasurer**. **A winter tax bill must include information on summer taxes that were deferred** (MCL 211.51(6)). If a local property tax collecting unit that collects a summer property tax also collects a winter property tax in the same year, a statement of the amount of taxes deferred pursuant to subsection (2) shall be in the December tax statement mailed by the local property tax collecting unit for each summer property tax payment that was deferred from collection. If a local property tax collecting unit that collects a summer property tax does not collect a winter property tax in the same year, it shall mail a statement of the amount of taxes deferred under subsection (2) at the same time December tax statements are required to be mailed under section 44.
(MTT) Note:	Appeal to the MTT of a contested tax bill must be filed within 60 days after the mailing of the tax bill that the taxpayer seeks to contest (MCL 205.735). (Limited to arithmetic errors.)
December 13	Tuesday following the second Monday in December: **Special BOR meeting may be convened by assessing officer to correct qualified errors** (MCL 211.53b). The governing body of the city or township may authorize, by adoption of an ordinance or resolution, 1 or more of the following alternative meeting dates for the purposes of this section: An alternative meeting date during the week of the second Monday in December (MCL 211.53b(7)). An owner of property that is a **"Principal Residence"** on May 1 **may appeal to the December BOR** in the year for which an exemption was claimed or in the immediately succeeding three years if the exemption was not on the tax roll (MCL 211.7cc(19)). An owner of property that is **Qualified Agricultural Property** on May 1 **may appeal to the December BOR** for the current year and the immediately preceding year if the exemption was not on the tax roll (MCL 211.7ee(6)). **December BOR to hear appeals for current year poverty exemptions only,** but not poverty exemptions denied by the March BOR (MCL 211.7u). (See page 12 of STC Bulletin No. 12 of 1997.)
December 15	Form 600/L-4016, Supplemental Special Assessment Report due to the STC.
December 29 December 30 is a Holiday December 31 is a Saturday	**The Department of Treasury may appeal the 2011 classification of any assessable property** to the Small Claims Division of the MTT (MCL 211.34c(7)).
December 31, 2011	**Tax day for 2012 property taxes** (MCL 211.2(2)). Deadline for an owner that had claimed a conditional rescission of a PRE to verify to the assessor that the property still meets the requirements for the conditional rescission through a second and third year annual verification of a **Conditional Rescission of PRE** (form 4640) (MCL 211.7cc(5)).
January 3, 2012 December 31 is a Saturday January 1 is a Sunday January 2 is a Holiday	**Due date for filing of county equalization department studies made during 2011 with the STC**. These studies are used for the 2011 revised valuation starting bases.

FARMLAND AND OPEN SPACE TAX RELIEF

In 1974, the Michigan Legislature passed and the Governor signed into law 1974 PA 116—the Farmland and Open Space Preservation Act—to alleviate the rapid and often premature conversion of land, uniquely suited for agriculture and open space, to more intensive uses. This law, which is now Part 361 of the Natural Resources and Environmental Protection Act, enables a landowner to voluntarily enter into a developmental rights agreement or a developmental rights easement with the state.

These agreements or easements, which are legally recorded documents, ensure that enrolled lands (active farmland or certain open space lands are eligible) remain in a particular use for an agreed-upon period of time. Initial development rights agreements or easements are subject to a term of not less than ten years; however, those entered into after June 5, 1996, may have a term of up to 90 years. In return for maintaining the land in a particular use, the landowner is entitled to certain tax benefits. Legislation enacted in 1995 (1995 PA 59 as subsequently amended), however, permits, upon payment of a portion of the credit, the withdrawal of all or a portion of the property subject to a development rights agreement under certain circumstances.

The tax benefits afforded to landowners participating under this program were tempered somewhat in recent years by the tax benefits associated with 1994 Proposal A. In 2001, however, these benefits were significantly increased. Under 2000 PA 421, benefits fall into the following three categories:

1. Lands that qualify and are approved under the farmland or open space provisions of the law are exempt from special assessments for sanitary sewers, water, lights, or nonfarm drainage, except for years before 1995 as to a dwelling or nonfarm structure located on the land, unless the assessments were imposed before enrollment in the program;
2. Under a farmland development rights agreement, the landowner is entitled to claim as a credit against state income tax liability the amount by which the farmland property taxes on land and structures restricted by such agreements exceed 3.5% of household income. This credit is in addition to a homestead property tax credit which the landowner may claim on the state income tax return; and
3. For those lands under an open space easement, development rights held by the state or local governing body are exempt from ad valorem taxes.

To be eligible, the agricultural land must be actively farmed and must generally meet one of the following qualifications: be 40 or more acres in size; five to 40 acres in size with a minimum per-acre gross income of $200 per year; or a Department of Agriculture-designated "specialty farm" with a minimum gross annual income of $2,000. At least 51% of the land must be primarily devoted to an agricultural use, except for specialty farms.

Open space land is divided into two categories, but in both cases the land must be undeveloped. The first category involves historic, riverfront, or shoreland areas and requires that, to be eligible, the land must meet one of the following criteria: be registered as an historic site by appropriate state or federal action; be lands adjacent to a state-designated natural river under Part 305 of the Natural Resources and Environmental Protection Act; or be designated as an environmental area under Part 323 of the Natural Resources and Environmental Protection Act. The second category of open space land is more general and is meant to provide a tool for local units of government to protect local open space lands. Requirements for eligibility include that the land conserve natural or scenic resources, enhance recreational opportunities, preserve historic sites, or preserve idle potential farmland of not less than 40 acres in size.

The idle potential farmland class is the only one under the open space categories which has an acreage requirement.

Landowners eligible to apply for a farmland preservation tax credit and who are required to file a Michigan income tax return must complete and attach Michigan Department of Treasury Form MI-1040CR-5 to their state income tax returns. Individuals applying for this credit must include with their application a copy of a receipt showing payment of property taxes for the year for which the credit is being claimed or the prior year. If a copy of the receipt is not included, the Michigan Department of Treasury will issue the check made out to the claimant and the county treasurer in the county in which the claimant's property is located. The money will first be used for payment of the taxpayer's property taxes, interest, penalties, and tax administration fees. Any money remaining will be returned to the claimant.

A law passed in 1988 (1988 PA 423) provides that, beginning with the 1984 tax year, certain taxpayers who were partners in partnerships, shareholders in S corporations, holders of property under a life lease, or owners of a trust can claim the Farmland Preservation Credit. Moreover, pursuant to 1996 PA 233, members of limited liability companies also became eligible for the credit. Now, landowners who are not eligible for the income tax credit may be eligible for a credit against the Michigan Business Tax. The credit cannot exceed 3.5% of the adjusted business income, subject to certain adjustments.

Like the homestead property tax credit, this tax credit is based on household income. The property taxes you may claim for your credit are those taxes billed for 2010. Approximately $39.9 million was paid in 2010 to about 8,100 eligible taxpayers. Those who are eligible for this tax credit should receive copies of the MI-1040CR-5 form in the mail from the Michigan Department of Treasury. Taxpayers filing the MI-1040CR-5 form may now be eligible to E-file, if the percentage of ownership is not split.

For further information on the farmland preservation tax credit, contact:

Michigan Department of Treasury
Farmland Preservation Unit
(517) 636-4486

General questions about the Farmland and Open Space Preservation Act should be addressed to:

The Farmland Preservation Office
Michigan Department of Agriculture
Environmental Stewardship Division
P.O. Box 30449
Lansing, MI 48909
(517) 373-3328

MICHIGAN INCOME TAX

The Michigan individual income tax was first adopted in 1967. It is a direct flat-rate tax on the federal adjusted gross income of individuals, estates, and trusts. Interest income from obligations or securities of states and their political subdivisions other than Michigan is also subject to the state income tax. Adjustments are made with respect to estate or trust income. The Michigan income tax rate is 4.35% for the 2010 tax year.

Legislation enacted in 2004 (2004 PA 199) allows U.S. military personnel, serving in a combat zone on April 15, 2010, up to 180 days after leaving the combat zone to file their tax returns. This extension mirrors the one provided by the federal income tax.

ELECTRONIC FILING AND DIRECT DEPOSIT OF REFUND

Electronic (or E-) filing allows you to file your income tax returns by computer instead of mailing paper returns. Safe and convenient, E-filing generally allows you to receive your refund much quicker than paper filing. You may E-file using commercially available software or online services. You may also use a commercial tax preparer. Some taxpayers are eligible for free E-filing services.

You may E-file both your state and federal forms, or you may wish to E-file your Michigan return separately. You may even file your homestead property tax credit and/or your home heating credit claims separately. Amended returns, fiscal year returns, and returns for prior years may not be E-filed. In addition, taxpayers claiming the stillbirth tax credit cannot E-file.

Most taxpayers have the option of having their income tax refund deposited directly into their bank accounts. To have your refund deposited directly into the U.S. financial institution of your choice, complete the direct deposit portion of your MI-1040, MI-1040CR, MI-1040CR-2, or MI-1040CR-9. You may also attach a Direct Deposit of Refund Form 3174 to your MI-1040 tax form. Do not request direct deposit if you are filing a home heating credit claim from which an energy draft will be issued.

Some taxpayers may not be eligible for direct deposit. If for some reason the Department of Treasury cannot deposit your refund directly, they will send you a check. When requesting direct deposit, be sure that your financial institution will accept direct deposit, that the name(s) on the return match the name(s) on the bank account, and that your account number and routing transit number are correct.

STATE INCOME TAX DEDUCTIONS

Taxpayers are allowed to subtract from adjusted gross income a number of deductions. These include $3,600 for each personal and dependency exemption. A taxpayer who is age 65 or older is allowed an additional exemption of $2,300. A $2,300 special exemption is also available for a taxpayer who is deaf, paraplegic, quadriplegic, hemiplegic, totally and permanently disabled, or blind. A taxpayer may claim the special exemptions for dependents who qualify for the exemption. A taxpayer whose state income tax return includes unemployment compensation that amounts to 50% or more of adjusted gross income is also allowed an additional $2,300 exemption. If you claim the 65 or older exemption, you may NOT claim an exemption as totally and permanently disabled. Although a portion of Social Security benefits of individuals at certain income levels are taxable by the federal government, Michigan taxpayers can deduct from adjusted gross income the amount of any Social Security benefits received for the year which are included in federal adjusted gross income.

Any persons eligible to be claimed as a dependent on someone else's tax return, and whose adjusted gross income is more than $1,500, may claim a $1,500 personal exemption on their own return. This applies whether or not the other person claims the dependent exemption. If a dependent's income is $1,500 or less,

that person need not file a return unless claiming a refund of withholding. The Child Care Act of 1997 created a child deduction. The child deduction was revised for the 2000 tax year and beyond. Taxpayers with dependents 18 years of age or younger on December 31, 2010, may deduct $600 per child.

Interest income from federal government obligations and all pension benefits received from a Michigan or U.S. government public retirement system may also be subtracted from adjusted gross income. Pension or retirement benefits from a private pension are deductible to a maximum of $45,120 ($90,240 on a joint return). These figures are adjusted annually by the U.S. Consumer Price Index. The amount of this deduction is reduced by the amount of any public or military pension benefits deducted.

The deduction for the dividend, interest, and capital gain income of senior citizens for the 2010 tax year is $10,058 ($20,115 on a joint return). The maximum amount of this deduction is reduced by the amount of a deduction taken for retirement or pension benefits. This deduction is adjusted annually by the U.S. Consumer Price Index.

In addition, deductions may be taken for Armed Forces compensation, income from an out-of-state business or rental income from out-of-state property, any refund of state or city income tax that is included as income on federal Income Tax Form 1040, and political contributions up to a maximum of $50 per year for an individual or $100 per year on a joint return.

Income from an out-of-state business, including distributive share income from flow-through entities such as partnerships, limited liability companies taxed as partnerships or subchapter S corporations, is deducted. Losses from out-of-state business is added back to arrive at Michigan income. Rental income from out-of-state property is deducted but rental losses from out-of-state property is added back to Michigan income.

Michigan taxpayers who bought a Michigan Education Trust contract are entitled to deduct the full amount of the contract from their income in the year of purchase. If a loan was taken out to purchase the contract, a deduction can still be made for the full amount paid for the contract, but not for any interest paid on the loan. A taxpayer may also claim a deduction for contributions made to an education savings account established under the Michigan Education Savings Program (MESP). The deduction for annual contributions is limited to $5,000 ($10,000 on a joint return).

Qualified taxpayers who are residents in a renaissance zone may also deduct income earned or received while residents of a Michigan renaissance zone. If you are a resident in a renaissance zone for at least 183 consecutive days and meet other qualifications, you may be exempt from paying state and city income tax, and property taxes (except debt and sinking fund mills). Certain renaissance zones, however, are beginning to be phased out. Taxpayers in these zones will have their exemption phased out in 25% increments during each of the zone's final three years.

A deduction is also available for money and interest resulting from a settlement of claims for Holocaust victims. The deduction is retroactive to the 1994 tax year.

Public Act 400 of 2000 created an income tax deduction for charitable contributions made from distributions from pensions or IRAs. The act sets the deduction at the amount deductible on the taxpayer's federal return, minus both the amount of the state deduction for retirement or pension benefits and two times the amount of the state public contribution, homeless shelter/food bank, and community foundation credits claimed by the taxpayer. To qualify, payment to the charity must occur within 60 days of receiving the distribution.

Under the provisions of 2005 PA 214, a taxpayer may also deduct gains realized from a qualified initial equity investment of at least $100,000 in a business engaged in competitive-edge technologies.

Public Act 94 of 2007 created a new deduction for qualified disabled veterans. Under this deduction, a qualified disabled veteran and each of his or her dependents may claim an additional $300 exemption.

STATE INCOME TAX CREDITS

In addition to the homestead property tax credit program (discussed on page 25) and the farmland and open space preservation tax credit (discussed on page 17), Michigan taxpayers are allowed many different types of credits against their personal income tax liability, chief of which is the home heating credit. A specific section that follows (see page 32) will be devoted to the home heating credit.

Other types of credits against personal income tax liability include allowances for income taxes paid to other states (except reciprocal states), political subdivisions of other states, the District of Columbia, Canadian provinces, or Michigan cities.

The Canadian provincial credit is allowed only for that portion of the provincial tax not claimed on the individual's United States income tax return. In determining this credit, you may not use any Canadian provincial tax carried forward from previous years.

If you pay a city income tax in Michigan, you may claim a portion of the tax as a credit against your state income tax liability. The city income tax credit is computed as follows:

City Income Tax Credit Computation

Tax Paid	Credit
$100 or less	20% of the city income taxes paid
$101 - $150	$20 plus 10% of the excess over $100
$151 or more	$25 plus 5% of the excess over $150

The total credit cannot be more than $10,000.

Michigan taxpayers are permitted a public contribution credit for gifts of money or artwork created by the taxpayer if given to Michigan colleges and universities and their fund-raising organizations, the Michigan Colleges Foundation, the State Art in Public Places Fund, the State of Michigan Museum, public libraries, or public broadcasting stations. A taxpayer may also claim a credit for gifts of money or any artwork to a Michigan municipality or a nonprofit corporation affiliated with a Michigan municipality and an art institute in that municipality to benefit an art institute. Artwork created by the taxpayer qualifies for credit if given to the state of Michigan or a Michigan municipality for public display. Finally, gifts of money or artwork created by the taxpayer qualify for credit if given to the state of Michigan for the preservation of state archives. The amount of the credit permitted for a public contribution is 50% of the contribution up to $100 ($200 on a joint return).

Michigan taxpayers are eligible for a nonrefundable historic preservation tax credit. The credit is available for owners or long-term lessees of qualified historic resources and is equal to up to 25% of certain expenses incurred in the rehabilitation of the qualified historic resource. To be eligible, the rehabilitation project must be certified by the State Historic Preservation Office.

The community foundations tax credit covers contributions made during the tax year to endowment funds of certified community foundations. The nonrefundable credit is limited to 50% of the total charitable contributions up to $100 ($200 on a joint return). A list of certified community foundations is included in the state income tax instruction booklet and in the forms at the back of this booklet. You must enter the proper code to receive your credit.

An additional credit is available for cash contributions to shelters for homeless persons, food kitchens, food banks, or other entities whose primary purpose is to provide overnight accommodation, food, or meals to persons who are indigent. This nonrefundable homeless credit is 50% of the contribution by the taxpayer not to exceed $100 for a taxpayer filing singly or $200 for a husband and wife filing a joint return.

To be eligible, the contribution must be either in cash (U.S. currency, personal check, money order, or credit card) or be a food donation made in conjunction with a matching food donation program. The

contribution must be made to an organization located in Michigan whose primary purpose is the delivery of food, meals, or shelter to indigent persons; and the contribution must be tax deductible for the donor under the federal Internal Revenue Code.

Public Act 313 of 2004 created a new, nonrefundable credit for vehicle donations. The credit is equal to 50% of the fair market value of an automobile donated to a charitable organization that intends to give the automobile to a qualified individual for employment-related transportation. The credit may not exceed $50 ($100 for a husband and wife filing a joint return). Donors must receive a Donor Tax Credit Certificate for Donated Vehicle Form (Form 4284) from a certified charitable organization to be able to claim the credit. The following charitable organizations have been certified as charities for which the credit is available:

2010 MICHIGAN VEHICLE DONATION CODE LIST

105 Goodwill Industries of Mid-Michigan, Inc.
202 Goodwill Wheels to Work
505 CarsINC
601 Goodwill of Southwestern Michigan, Inc.
604 Carlink, Inc.
705 Goodwill Industries of Northern Michigan, Inc.
803 Goodwill Industries of West Michigan, Inc.
905 Goodwill Industries of Southeast Michigan, Inc.

The public contribution credit, community foundation credit, vehicle donation credit, and the homeless credit are computed separately. A taxpayer filing singly who donates a qualified vehicle valued in excess of $200, and contributes $200 to a public broadcast system, $200 to a certified community foundation, and $200 to an eligible shelter, for example, may claim a $50 vehicle donation credit, a $100 public contributions credit, a $100 community foundation credit, and a $100 homeless credit on his or her income tax return.

Public Act 7 of 1995 created a nonrefundable credit for tuition and uniformly required fees paid to a "qualified" state institution of higher learning. To be eligible, the claimant must have an adjusted gross income of $200,000 or less and be a resident of the state. The amount of the credit is limited to 8% of undergraduate tuition and fees paid up to $375 per student per year. The credit is limited to four tax years for each student. To be qualified, an institution of higher learning must, among other factors, pledge to keep the increase in its tuition rates to not more than the annual percentage increase in the U.S. Consumer Price Index. The credit is not available to students attending an institution providing programs solely for sectarian instruction or religious worship. The following colleges and universities have been certified as institutions for which the 2010 credit is available:

2010 MICHIGAN COLLEGE AND UNIVERSITY CODE LIST

0005 Eastern Michigan University
0505 Bay Mills Community College
0588 North Central Michigan College

NEW VOLUNTARY CONTRIBUTIONS SCHEDULE

Beginning with the 2008 tax year, a new income tax schedule program, initiated by 2007 PA 133, allows contributions to a number of charities through the check-off. Contributions will reduce your tax refund or increase your tax due. All of the check-offs previously included in the income tax forms, such as the Children's Trust Fund, are now found on the Form 4642 Voluntary Contributions Schedule. Any fund not raising more than $100,000 for two consecutive years may be dropped from the schedule.

The separate check-off schedule for the 2010 tax year includes the following charitable entities:

Animal Welfare Fund. The Animal Welfare Fund was established under 2007 PA 132. The fund supports efforts relating to the spaying and neutering of animals, and helps finance the costs for protecting and caring for animals that have been subjected to cruelty or neglect.

Children's Hospital of Michigan Fund. The Children's Hospital of Michigan Fund was created to provide funds for donation to the Children's Hospital of Michigan to support the hospital in providing life-saving pediatric care, education, and research.

Children's Miracle Network Fund. The Children's Miracle Network Fund was created to provide funds for donation to the Children's Miracle Network to support the Children's Miracle Network hospitals located in this State in providing life-saving pediatric care, education, and research.

Children's Trust Fund – Prevent Child Abuse Michigan. Under 2005 PA 160, an individual may designate a donation of $5.00 or more to the Children's Trust Fund by check-off. The money is used for efforts to prevent child abuse and neglect. A taxpayer may also purchase a Children's Trust Fund specialty license plate or make a contribution of any amount to this fund. Make a donation by credit card or check to: Children's Trust Fund, Grand Tower Suite 1411, P.O. Box 30037, Lansing, MI 48909.

Children of Veterans Tuition Grant Fund. The Children of Veterans Tuition Grant Fund and income tax check-off were created by 2005 PAs 248 and 249. The check-off allows Michigan taxpayers to voluntarily contribute $2.00 or more to the fund. Proceeds of the fund assist with undergraduate tuition expenses for eligible children of Michigan veterans who died or suffered total and permanent disability in the line of duty.

Foster Care Trust Fund. Contributions to the Foster Care Trust Fund will be used to identify and address issues facing foster children in Michigan and to work with existing foster care programs to build further service capacity in the State.

Michigan Council for the Arts Fund – Local Grant Programs. Contributions of $5.00 or more to the Michigan Council for Arts and Cultural Affairs provides support for local arts and cultural events. These contributions are returned to local communities and nonprofit organizations in the form of grants. Programs and services funded by these monies include arts education and low-cost performances and exhibits.

Military Family Relief Fund. The Military Family Relief Fund check-off program was created by 2004 PA 363. Taxpayers may donate $1.00 or more to the fund, which provides up to $2,000 in assistance to needy families of Michigan military personnel serving in active duty. A portion of the fund is also dedicated to the Michigan Soldiers' Home.

Renewable Fuels Fund. Contributions to the Renewable Fuels Fund will be used to promote the production and use of renewable fuels in Michigan, including, but not limited to, biodiesel, biodiesel blends, hydrogen fuel, and E85 fuel.

United Way Fund. Contributions to the United Way Fund (of America) will be used to improve the lives of Michigan residents by mobilizing the caring power of communities to provide for basic needs, including, but not limited to, food, clothing, and shelter.

MISCELLANEOUS CREDITS

In 2000, Public Act 394 created a new income tax credit for eligible adoption expenses. Taxpayers may now claim a credit for qualified adoption expenses in excess of the federal credit or $1,200, whichever is less.

Under 2006 PA 319, taxpayers receiving a Certificate of Stillbirth from the Department of Community Health may take a refundable income tax credit. For the 2010 tax year, the credit is set at $170.00.

Beginning with the 2008 tax year, taxpayers may be eligible for an earned income tax credit. For 2010, the credit is equal to 20% of the amount of the federal credit.

In addition, 2008 PA 287 created a new, refundable credit for qualified energy-efficient home improvements, beginning with the 2009 tax year. The credit is equal to 10% of the amount of the home improvement, up to $75 ($150 on a joint return). The act also created a nonrefundable credit for a portion of certain energy cost recovery charges passed on to the consumer under the Clean Renewable, and Efficient Energy Act, beginning with the 2009 tax year. For tax year 2010, the renewable energy surcharge credit is equal to 20% of the surcharge paid during the tax year.

Beginning with 2009, taxpayers may claim the Individual or Family Development Account nonrefundable credit equal to 75% of certified contributions made to a reserve fund of a fiduciary organization for the Development Account Program.

HOMESTEAD PROPERTY TAX RELIEF

In 1973, the Michigan Legislature enacted the Homestead Property Tax Credit Act. The initial provisions of 1973 PA 20 were subsequently amended and expanded to provide a means for Michigan taxpayers to link property tax to household income in an effort to make the overall tax system more equitable.

Also known as the "circuit breaker," this program has provided more than $21 billion in relief from property taxes to Michigan homeowners and renters since it was implemented more than 30 years ago. In 2010, for example, 1.6 million eligible Michigan homeowners and renters received credits averaging approximately $585 from this program, for a total of about $954 million in property tax relief.

The homestead property tax credit is a device through which taxpayers can receive a tax credit for an amount of their property tax which exceeds a certain percentage of their household income for that year. This program establishes the following categories under which homeowners or renters are eligible for a homestead property tax credit:

1. Citizens age 65 and older and the surviving spouses of senior citizens. A claimant or spouse must be age 65 by December 31 of the tax year for which they are filing.
2. Paraplegic, hemiplegic, and quadriplegic persons.
3. Deaf and totally and permanently disabled persons who are not over age 65.
4. Eligible veterans, active military personnel, blind persons, and the surviving spouses of veterans.
5. All other homeowners and renters.

Under this program, a credit/refund for property taxes paid is determined by placing homeowners and renters into one of the categories listed above and then relating their property taxes, or percent of rent paid, to their household income. Individuals must have resided in Michigan for at least six months of the immediately preceding year in which they are applying for a credit.

GENERAL PROVISIONS

Homeowners and renters who do not qualify for consideration under one of the special categories are granted a credit against their state income tax equal to 60% of the amount by which their property taxes exceed 3.5% of their household income. In lieu of property taxes paid by the homeowner, renters will base their claim on 20% of their yearly rent. If there is no income tax due or if the property tax credit exceeds the income tax, a refund will be made. The credit cannot exceed $1,200.

Since the 1982 tax year, there has been a phaseout of the property tax credit for taxpayers whose household income exceeded a certain amount. Your credit is reduced by 10% for each $1,000 or part of $1,000 by which household income is greater than $73,650. If your household income is $82,650 or more, you are not entitled to a property tax credit.

Persons whose household income consisted totally of Family Independence Program (FIP) assistance or Department of Human Services (DHS) benefits are not eligible for a property tax credit. For persons who received a part of their income from these programs, their credit will be reduced by the percentage which their total household income was composed of FIP or DHS benefits. This reduction shall not exceed the total of FIP or DHS payments received during that year.

In calculating this credit, individuals must exclude from their total FIP benefits for the year the amount of any child support payments paid to the Friend of the Court which offset or reduced their FIP benefits. For example, if 60% of your total household income was from FIP benefits less any applicable child support payments and 40% was from wages and child support, your actual credit would be 40% of the property tax credit calculated before proration.

The following is an example of how a regular credit would be figured: Mr. and Mrs. Smith's household income was $15,000. Their property tax was $700. The credit is computed by multiplying the household income ($15,000) by a fixed 3.5%. If the property tax is more than 3.5% of the household income, the excess is multiplied by 60% to determine the credit, as follows:

$15,000 x 3.5% = $525; $700 – $525 = $175 x 60% = credit of $105

Other examples include:

2010 Household Income	2010 Property Tax	3.5% of 2010 Household Income	Excess: Property Tax Minus 3.5% of Income	Amount of Credit or Refund (60% of Excess)
$7,500.00	$500.00	$262.50	$237.50	$142.50
$10,000.00	$1,000.00	$350.00	$650.00	$390.00
$20,000.00	$1,500.00	$700.00	$800.00	$480.00
$25,000.00	$850.00	$875.00	*	$0.00*

* In this example, because the taxpayer's property tax payment for the year was less than 3.5% of household income, the taxpayer is not eligible for a credit.

SENIOR CITIZENS AND DEAF, DISABLED, PARAPLEGIC, HEMIPLEGIC, OR QUADRIPLEGIC PERSONS

A senior citizen is defined as a person 65 years old or older and, for 2010, a husband and wife are eligible if either has reached the age of 65 on or before December 31, 2010. The definition also includes the unremarried surviving spouse of a person who died after reaching the age of 65. Totally and permanently disabled persons are defined as such by the United States Social Security Administration.

The property tax relief available to low-income persons in this category is much greater than the allowance granted to other taxpayers. If the household income is $3,000 or less, then 100% of the property tax is refundable.

Senior citizens and deaf, disabled, paraplegic, hemiplegic, or quadriplegic persons with household incomes of more than $3,000 receive a credit or a refund for all of their property taxes above the percentage of their household income as shown in the following chart.

2010 Household Income	Percentage of Household Income Not Refundable
Not over $3,000	0.0%
$3,001 - $4,000	1.0%
$4,001 - $5,000	2.0%
$5,001 - $6,000	3.0%
$6,001 and over	3.5%

For example: Mr. and Mrs. Jones are senior citizens whose household income was $5,400. They were billed $500 for property taxes. The credit is computed by first multiplying their household income ($5,400) by the percentage not refundable (3%) and then taking the difference between 3% of income and the amount of taxes paid.

$5,400 x 3% = $162; $500 – $162 = credit of $338

Other examples for senior citizens are:

2010 Household Income	2010 Property Taxes Paid	Percentage of Household Income Not Refundable	Amount of Tax Which Must Be Paid	Amount of Credit or Refund
$3,500.00	$500.00	1.0%	$35.00	$465.00
$4,500.00	$650.00	2.0%	$90.00	$560.00
$6,500.00	$800.00	3.5%	$227.50	$572.50

A senior citizen who rents should substitute 20% of yearly rent for property taxes paid during the 2010 tax year in the above computation. However, senior citizens whose rent is more than 40% of their household income may get a bigger credit using an alternative credit computed by subtracting 40% of their household income from their rent. Disabled persons are not eligible for the alternative computation.

Senior citizens who rent should calculate their credit using both the standard and alternative formulas, and claim the larger credit. However, the maximum property tax credit for all taxpayers cannot exceed $1,200.

BLIND PERSONS

All blind persons who are homeowners are eligible for property tax credit benefits. If the taxable value of the claimant's homestead is $3,500 or less, then 100% of the property tax is refunded. If the taxable value is more than $3,500, the credit/refund is equal to the percentage relationship between $3,500 and the taxable value. The taxable value appears on your tax bill.

For example: Taxable Value: $10,500 Property Tax Paid: $480

Percent of taxes refundable = 33.33% (since $3,500 is 33.33% of $10,500) (.3333) x $480 = credit of $160

Note: If both husband and wife are blind, the allowance is $7,000.

Blind persons also qualify as totally and permanently disabled and may be entitled to a larger credit under that category. Blind persons who rent may claim a credit only under the totally and permanently disabled category. Homeowners who are blind will use Michigan Department of Treasury Form MI-1040CR-2 to file for a credit. Renters who are blind will use the Form MI-1040CR to file for a credit.

VETERANS, ACTIVE MILITARY PERSONNEL, OR THE SURVIVING SPOUSE OF A DECEASED VETERAN

If you are a Michigan homeowner and qualify as a veteran, active military personnel, or the surviving spouse of a deceased veteran under one of the veteran status classifications, you may be eligible for a related homestead property tax credit. Unless you have a service-connected disability or are the surviving spouse of a person with a service-connected disability or of a veteran deceased while in service, your household income may not exceed $7,500.

It is possible that persons qualifying under this category are entitled to a larger credit as a senior citizen, general taxpayer, or as a totally and permanently disabled person. Such claims are based on household income instead of a taxable value allowance. You should calculate your credit under all the categories you qualify for and claim the one providing the largest credit.

Veterans Status and Value Allowance

Filing Status	Percentage of Disability	Taxable Value Allowance
A. Veteran (or surviving spouse) with service-connected disability	10% - 50%	$3,500
	60% - 80%	$4,000
	90% - 100%	$4,500
B. Veteran of wars before World War I, pensioned veteran or surviving spouse, or active military personnel		$3,500
C. Surviving spouse of a nondisabled or nonpensioned veteran		$2,500
D. Surviving spouse of veteran deceased while in service		$4,500

If you are eligible to file Form MI-1040CR-2, your tax credit is based upon the taxable value allowance: taxable value ratio which was explained in the section regarding blind property taxpayers.

For example:

You are a veteran with a 10% disability. Your home has a taxable value of $10,500, with property taxes of $525. As a disabled veteran, you have a taxable value allowance of $3,500.

The credit is computed as follows:

Percent of taxes refundable = 33.33% (.3333) x $525 = credit of $175

Eligible military personnel, veterans, and their surviving spouses who rent a homestead are entitled to a credit that is computed in a manner similar to the credit allowed those who own their home. The taxable value of a rented homestead is determined by dividing the taxes in rent (20% of rent paid in the 2010 tax year) by the property tax rate of the homestead being rented. The property tax rate can be determined by contacting your local assessor.

QUESTIONS AND ANSWERS

WHAT IS HOUSEHOLD INCOME?

For determining your homestead property tax credit and home heating credit, household income includes all income subject to the federal income tax, plus all other income specifically exempted by the federal income tax law.

The following are the more common forms of income not subject to the federal income tax which must be included in household income for purposes of computing a refund or credit:

- ❑ 1. Social Security and railroad retirement benefits.
- ❑ 2. Veterans pensions and disability payments.
- ❑ 3. Other pensions and annuities.
- ❑ 4. Interest on state and local obligations.
- ❑ 5. Worker's compensation benefits.
- ❑ 6. Cash public assistance and other payments on your behalf (FIP or DHS benefits).
- ❑ 7. Child support payments.
- ❑ 8. Gifts in cash or kind in excess of $300.
- ❑ 9. Sick pay.
- ❑ 10. Scholarship, stipend, grant, or GI bill benefits.
- ❑ 11. Compensation for damages to character or personal injury or sickness.
- ❑ 12. An inheritance, other than an inheritance from your spouse.
- ❑ 13. Proceeds of a life insurance policy paid on the death of the insured, other than a policy on your spouse.
- ❑ 14. Reimbursements from dependent care and/or medical care spending accounts.

Not included are the following:

- ❑ 1. Amounts received from a governmental unit for repair or improvement of your homestead.
- ❑ 2. Surplus foods.
- ❑ 3. Chore service payments (such payments are income to the provider but not to the person receiving the benefits).
- ❑ 4. State and local income tax refunds, including homestead property tax credits (farmland preservation tax credits or refunds must be included in household income).
- ❑ 5. Amounts deducted from Social Security or railroad retirement benefits for Medicare premiums.
- ❑ 6. Health, life, and accident insurance premiums paid by your employer.
- ❑ 7. The first $300 of income from gambling, bingo, lottery, or prizes and awards.

- ❑ 8. Energy assistance grants and energy assistance tax credits.
- ❑ 9. The first $300 in gifts, cash, or expenses paid on your behalf by a family member or friend.
- ❑ 10. Government payments to a third party, such as your doctor.
- ❑ 11. Stipends received by a person 60 years of age or older for acting as a foster grandparent or a senior companion.
- ❑ 12. Loan proceeds.
- ❑ 13. Inheritance from a spouse.
- ❑ 14. Life insurance benefits from a spouse.

Taxpayers may reduce household income by subtracting:

- ❑ 1. Federal adjustments to income, including:
  - Educator expenses.
  - Certain business expenses of reservists, performing artists, and fee-based government officials.
  - IRA, SEP, SIMPLE, or Keogh plan deductions.
  - Student loan interest deductions.
  - Moving expenses into or within Michigan.
  - Deductions of self-employment tax.
  - Self-employment health insurance deductions.
  - Tuition and fees.
  - Penalties on early withdrawal of savings.
  - Alimony paid.
  - Medical savings account deductions.
- ❑ 2. Medical insurance or HMO premiums you paid for yourself and your family (not Medicare), including medical insurance premiums paid through payroll deduction.

WHAT CONSTITUTES A HOMESTEAD?

The term homestead means the place where you live, whether it is owned or rented, and includes a mobile home or lot in a trailer park. You may have only one homestead at any given time, and you must be the occupant of the property for it to be your homestead. To qualify for a credit, your homestead must be in Michigan. A vacation or income property you own does not qualify as your homestead.

WHAT KINDS OF PROPERTY TAXES ARE ELIGIBLE FOR CREDIT?

The property taxes you may claim for your 2010 credit are the property taxes on your principal residence for which you were billed in 2010, regardless of when you paid them. An administration fee of 1% or less may be included, but not penalties or interest. Special assessments may be included only if they are based on taxable value and either applied to the entire taxing jurisdiction, or are levied for police, fire, or advanced life support in an entire township except for the village portion of a township.

Real property classified as agricultural land for property tax purposes is part of a person's homestead under any of the following conditions:

1. If the gross receipts from the taxpayer's agricultural or horticultural operations are greater than household income, all property taxes on the farmland adjacent and contiguous to the taxpayer's home, including taxes on unoccupied farmland, may be claimed for credit.
2. If gross receipts from the taxpayer's agricultural or horticultural operations are less than household income and the taxpayer has lived in his or her home for more than ten years, the credit for property taxes is available for the property taxes on the home and on land lived on which is adjacent or contiguous to the home. If a taxpayer in this category has not lived on the land for ten years, then only the taxes on the home and five acres of adjacent and contiguous land may be claimed for credit.

Persons living in a mobile home park may claim credit on the $3.00 per month specific tax on trailer lots and 20% of lot rental. Renters of housing subject to local property taxes should use 20% of rent paid in lieu of property taxes in the computation of the credit.

If you are a renter of tax-exempt housing which pays service fees instead of property taxes to the municipality in which you live, you should use 10% of your rent in calculating your property tax credit.

If you are a permanent occupant of a nursing home, foster care home, or home for the aged that is subject to property taxes, you may consider the facility as your homestead. You may use the allocated share of the property taxes levied on the facility as taxes eligible for credit. Your manager should be able to tell you what your allocated share is. If your facility care charges are paid directly to the facility by a government agency, only that portion of the charges paid by you that are equal to or in excess of the allocable share of property taxes may be used in calculating the credit.

Property taxes on a homestead that is bought or sold during the year must be prorated according to the number of days occupied, regardless of any agreement entered into by the parties involved as to who shall pay the taxes. For example: if the 2010 taxes on the home you sold on June 30 amounted to $600 for the entire year, you may use $300 as taxes eligible for credit.

HOW CAN I APPLY FOR A REFUND?

Tax refunds can be obtained by filing the tax credit claim Form MI-1040CR for general claimants, senior citizens, totally and permanently disabled persons, and for persons who are either paraplegic, hemiplegic, or quadriplegic. Please remember to include information concerning the taxable value of your homestead on the proper line of your tax form to help assure the prompt processing of your claim. Active military personnel, eligible veterans or their surviving spouses, and blind persons file Form MI-1040CR-2 if it gives them a bigger credit than from Form MI-1040CR. All individuals claiming a refund should file their claim with their Michigan income tax return. Your 2010 Michigan income tax return must be filed by April 15, 2011.

The period for amending your claim for homestead property tax credit is four years from the date set for filing the original claim. If you do not have to file a Michigan income tax return, but are eligible for property tax relief, you should file your claim as soon as you know the amount of your 2010 homestead property taxes and household income. The Michigan Department of Treasury will send you the refund to which you are entitled.

If you have any questions about the homestead property tax relief program or about completing any state income tax forms, see the "Michigan Tele-Help" system section discussed at the end of this booklet.

HOME HEATING CREDITS

In 1978, the Michigan Legislature enacted a one-year program to help individuals meet some of the rising costs for heating their homes. The Home Heating Assistance Program was extended by 1979 PA 126 for the 1979 and 1980 tax years and by 1981 PA 152 for tax years 1981 through 1983.

Since 1984, this program has been extended and modified on several occasions, most recently by 2001 PA 169. This law extended the credit indefinitely, contingent on federal low-income home heating energy assistance. This program gives low-income persons the opportunity to claim a credit against their state income tax for part of their home heating costs. In 2010, approximately $85 million in tax credits were claimed. Approximately 475,000 low-income families received the credit in 2010. Each credit averaged about $179.

People who live in a nursing home, an adult foster care home, a home for the aged, or a substance abuse center are not eligible for this tax credit. You also are not eligible if you are a full-time student and are claimed as a dependent by another.

There are two methods available for computing a home heating credit: the standard method and, for individuals with very low incomes and high heating costs, an alternative formula. In calculating your credit using the standard method, the amount of the home heating tax credit is determined by first figuring the amount of your household income and the number of exemptions you can claim. Then, use the following table to find the standard allowance (the maximum credit permitted) for your total exemptions claimed. The figure on the right of the table (income ceiling) shows the maximum income which can be earned to be eligible for the credit.

Standard Allowances

Your Exemptions	Standard Allowance	2010 Income Ceiling
0 or 1	$418	$11,929
2	$562	$16,043
3	$706	$20,158
4	$850	$24,272
5	$994	$28,387
6 or more	$1,138	$32,500
	+ $144 for each exemption over 6	+ $4,114 for each exemption over 6

Across from your number of exemptions is your standard allowance. Your credit is your standard allowance minus 3.5% of your household income. The home heating credit is funded by a block grant from the federal government. In order to limit credits to the available amount of federal funding, 2010 credits will be multiplied by a proration factor of 52%. A claimant whose heating costs are included in his/her rent, should multiply the result of the preceding calculation by 50%. You will not get a credit if your household income exceeds the amount in the income ceiling column at the right of the table.

SAMPLE COMPUTATION

John and Mary Smith had a household income of $9,200. They had two children and were entitled to four exemptions.

Standard Allowance	$850.00
Less: 3.5% of household income (.035 x $9,200)	– $322.00
Home Heating Credit Subtotal	$528.00
Proration Factor	x .52
Credit Available	$274.56

ALTERNATIVE CREDIT

To determine if you qualify for the alternative credit formula, look at the table below and see if your household income exceeds the maximum specified on the right for the number of exemptions you are eligible to claim:

Your Exemptions	Maximum Income
0 or 1	$12,691
2	$17,078
3	$21,469
4 or more	$22,782

To compute the alternative credit, you must determine your total heating costs for the 12 consecutive monthly billing periods ending during October of the tax year (November 2009 to October 2010). Then you reduce your total heating cost (maximum allowed in 2010 is $2,506) by 11% of your household income. Your home heating credit will be 70% of this amount. For the 2010 tax year, credits will be multiplied by a proration factor of 52%. If your claim is for less than 12 months or your heating costs are currently included in your rent, you cannot claim an alternative credit.

SAMPLE COMPUTATION

Bill and Helen Smith had a household income of $7,500 and were entitled to three exemptions. Their total heating cost was $1,500.

Fuel cost	$1,500.00
Less 11% of household income (.11 x $7,500)	– $ 825.00
Balance	$ 675.00
Multiply by 70%	x .70
Home Heating Credit Subtotal	$ 472.50
Proration Factor	x .52
Home Heating Credit (rounded to the nearest dollar)	$ 245.70

Even if you qualify for the alternative credit, you should also calculate your credit using the standard method and claim the larger credit.

HOW TO APPLY

You must claim a Home Heating Credit on Form MI-1040CR-7. To receive your 2010 credit, claims must be filed by September 30, 2011. If your claim is approved, the Michigan Department of Treasury will send the credit directly to your enrolled heating provider.

If your credit is for more than you owe your energy provider, you must check the box on line 43 of the Michigan Home Heating Credit Form (MI-1040CR-7) if you want the overpayment refunded to you. If you were a Department of Human Services recipient who received any heat assistance other than the Home Heating Credit before December 31, 2010, your heat provider will keep any overpayment. Your heat provider must keep this overpayment for nine months and apply it to any future bills that you may have during that period of time. At the end of nine months, if you still have an overpayment, your heat provider will refund the balance to you.

If you rent, you are still eligible for the credit. If your heating costs are included in your rent payment, your credit will be reduced by 50%.

MICHIGAN BUSINESS TAX

The Michigan Business Tax (MBT), established by 2007 PA 36, became effective January 1, 2008. It replaced the Single Business Tax (1975 PA 228), which was repealed by an initiated law (2006 PA 325).

The MBT has two major components in its base: 1) a business income tax imposed at a rate of 4.95%, and 2) a modified gross receipts tax (gross receipts less purchases from other firms) imposed at a rate of 0.8%. Insurance companies and financial institutions are taxed under separate provisions.

The MBT retains most of the SBT's tax credits. However, it places more reliance on profits, rewards business investment in Michigan, and promotes investments in research and development. The MBT maintains and modifies the small business alternative filing credit. The act also creates a new 35% industrial personal property tax credit, and, in conjunction with 2007 PAs 37-40, exempts industrial personal property from the 6-mill state education tax and the 18-mill local school levy. Commercial personal property is also exempted from 12 mills of a local school district's 18-mill levy.

As a replacement for the use tax on certain services that was scheduled to go into effect in December 2007, an MBT surcharge was adopted (2007 PA 145). The surcharge is equal to 21.99% of the taxpayer's MBT liability calculated before credits. The surcharge is capped at $6 million for any one taxpayer. The surcharge will be eliminated in 2017, unless Michigan personal income declines in each of the prior three years.

If the total net cash payments received in a fiscal year exceeds certain revenue thresholds, 60% of the excess will be returned to the taxpayers and 40% of the excess will be deposited in the state's rainy day fund. Net cash payments equal all cash and estimated payments received during the year minus issued refunds and excluding revenue collected from insurance companies.

KEY FEATURES OF THE MBT

The major features of the Michigan Business Tax are:

1. The MBT imposes an income tax on every taxpayer with business activity in the state. The tax is imposed on the business income tax base after allocation or apportionment at the rate of 4.95%.
2. The act imposes a modified gross receipts tax on the privilege of doing business in this state. The modified gross receipts tax base is determined by taking a taxpayer's gross receipts less purchases from other firms. The gross receipts tax rate is 0.8% of the apportioned tax base.
3. Insurance companies and financial institutions are taxed under separate provisions. A special tax on insurance companies is levied at a rate of 1.25% of gross direct Michigan premiums. A financial institutions tax is levied at a rate of 0.235% of net capital.
4. The MBT requires unitary business groups to file a combined return. A unitary group is generally one with functional integration and centralized management. More specifically, a unitary group is a group of U.S. persons, one of which owns or controls more than 50% of the ownership interest, and that has business activities that either result in a flow of value between or among persons in the business group, or that has business activities or operations that are integrated with, are dependent on, or contribute to each other.
5. The act creates a number of new tax credits, including a Michigan compensation credit and Michigan investment credit. For the 2010 tax year, the compensation credit is 0.37%. The investment tax credit is 2.9%.

6. A research and development tax credit is available for the firm's Michigan research and development expenses. For the 2010 tax year, the credit will be 1.9%. A new research and development credit is also available for taxpayer's contributions to eligible, MEGA-approved, research and development businesses. The credit is equal to 30% of the contribution up to $300,000.
7. The MBT created a refundable 35% industrial personal property tax credit. In addition, related legislation exempted industrial personal property from the 6-mill state education tax and the 18-mill local operating millage. Commercial personal property is exempted from 12 mills of the 18-mill local operating millage.
8. The MBT retains a number of tax credits available under the former SBT. These include the start-up business credit, small business credit, venture capital investment credit, charitable contribution credit, worker's compensation credit, community foundation credit, homeless shelter credit, Next Energy alternative energy credit, the MEGA credit, brownfield credit, renaissance zone credit, and the historic preservation credit. The MBT also provides certain targeted credits. These include a new entrepreneurial credit, and a new credit for large charitable contributions to art, historical, or zoo institutions. Additional credits were added for the film industry, and for certain anchor businesses, affordable housing projects, semiconductor manufacturing firms, and certain battery cell manufacturing facilities, among others.
9. The MBT retains the $350,000 filing threshold. The small business tax credit allows a firm with no more than $20 million in gross receipts, $1.3 million in adjusted business income, and $160,000 in any owner's compensation to claim a credit equal to the amount by which the tax exceeds 1.8% of adjusted business income.
10. Public Act 145 of 2007 amended the MBT to create a temporary MBT surcharge equal to 21.99%. A higher surcharge is imposed on financial institutions. The surcharge is designed as a replacement for the short-lived use tax on services. The surcharge is capped at $6 million for any one taxpayer. The surcharge will expire on January 1, 2017, if Michigan personal income growth exceeds 0% in 2014, 2015, or 2016.
11. The Michigan Business Tax uses a single sales factor to allocate the proportion of a multi-state firm's business activity in Michigan. MBT business activity is sourced on the basis of market, or where the recipient receives the benefit. (Under the SBT, the business activity, other than the sale of tangible personal property, was only sourced to Michigan if, based on costs of performance, a greater proportion of the business activity was performed in Michigan. This commonly resulted in the sourcing of business activity back to the origination state.) The MBT also eliminates throwback sales. Sales may be sourced to another state if that state has the authority to tax, even if it does not do so.

NEW STATE TAX LAWS

ECONOMIC DEVELOPMENT

2010 PA 5—The act amended the Michigan Renaissance Zone Act to allow the Michigan Strategic Fund Board to create up to 25 additional renaissance zones for designated border crossing facilities.

2010 PA 122—The act amended 1974 PA 198, the plant rehabilitation and redevelopment act, to include certain existing facilities in the definition of a speculative building eligible for tax abatement.

2010 PA 137—The act amended the definition of blighted property in the Obsolete Property Rehabilitation Act and extends the exemption deadline to 2016.

PROPERTY TAX

2010 PA 8—The act amended the General Property Tax Act to revise the exemption compliance requirements for certain owners of housing for elderly or disabled families.

2010 PA 17—The act extended the principal residence exemption to adjoining and contiguous timber-cutover property.

2010 PA 24—The act changed the years when a qualified error could be corrected to the current year and immediately preceding year only.

2010 PA 109—The act provides a property tax exemption for real and personal property used in the retail store of a charitable nonprofit housing organization.

2010 PA 332—The act amended the General Property Tax Act to require assessors to mail change notices not less than 14 days before the meeting of a Board of Review.

2010 PA 340—Requires certain nonprofit and habitat for humanity homes to be assessed at sale price.

MICHIGAN BUSINESS TAX

2010 PA 38—The act amended the Revenue Act to restore the tax filing responsibilities of firms under the former Single Business Tax Act to the state of affairs that existed prior to a 2009 Michigan Court of Appeals ruling.

SALES AND USE TAX

2010 PA 115—The act amended the Use Tax Act to exempt certain equipment used at sawmills.

2010 PA 116—The act amended the General Sales Tax Act to exempt certain equipment used at sawmills.

Certified Community Foundations and Component Funds

A component fund serves donors and nonprofit organizations in a specific geographic area as a restricted fund of a neighboring community foundation. The following are certified for the Community Foundations Credit for 2010.

01 Albion Community Foundation
56 Allegan County Community Foundation
  Saugatuck/Douglas Area Community Fund
63 Anchor Bay Community Foundation
02 Ann Arbor Area Community Foundation
  Community Foundation of Plymouth
  Ypsilanti Area Community Fund
49 Baraga County Community Foundation
58 Barry Community Foundation
  Thornapple Area Enrichment Fund
17 Battle Creek Community Foundation
  Athens Area Community Foundation
  Homer Area Community Foundation
  Springfield Community Foundation
03 Bay Area Community Foundation
  Arenac County Fund
04 Berrien Community Foundation
45 Branch County Community Foundation
36 Cadillac Area Community Foundation
  Missaukee Area Community Foundation
  Missaukee Area Youth Fund
64 Canton Community Foundation
06 Capital Region Community Foundation
  City of East Lansing Fund
  DeWitt Area Community Fund
  Eaton County Community Foundation
  Lansing Fund
  Leslie Community Fund
  Meridian Township Fund
  Ovid-Elsie Community Fund
  St. Johns Area Community Fund
  Williamston Area Beautification Fund
66 Central Montcalm Community Foundation
44 Charlevoix County Community Foundation
70 Chippewa County Community Foundation
28 Community Foundation for Muskegon County
  Community Foundation for Mason County
  Community Foundation for Oceana County
  Manistee County Community Foundation
29 Community Foundation for Northeast Michigan
  Iosco County Community Foundation
  North Central Michigan Community Foundation
  Straits Area Community Foundation
09 Community Foundation for Southeast Michigan
  Chelsea Community Foundation
  Community Foundation for Livingston County
10 Community Foundation of Greater Flint
  Clio Area Community Fund
  Fenton Community Fund
  Flushing Community Fund
  Grand Blanc Community Fund
  Davison Community Fund
19 Community Foundation of Greater Rochester
11 Community Foundation of Monroe County
  Greater Milan Area Community Foundation
35 Community Foundation of St. Clair County
20 Community Foundation of the Holland/Zeeland Area
54 Community Foundation of the Upper Peninsula
  Alger Regional Community Foundation
  Community Foundation for Delta County
  Gogebic-Ontonagon Community Foundation
  Les Cheneaux Community Foundation
  Rudyard Area Community Foundation
  Schoolcraft County Community Foundation
  St. Ignace Area Community Foundation
  Tahquamenon Area Community Foundation
  West Iron County Area Community Foundation
50 Dickinson Area Community Foundation
  Crystal Falls Area Community Foundation
  Norway Area Community Foundation
13 Four County Community Foundation
18 Frankenmuth Community Foundation
14 Fremont Area Community Foundation
  Lake County Community Foundation
  Mecosta County Community Foundation
  Osceola County Community Foundation
15 Grand Haven Area Community Foundation
  Allendale Area Community Foundation
  Coopersville Area Community Foundation
16 Grand Rapids Community Foundation
  Cascade Community Foundation
  East Grand Rapids Community Foundation Fund
  Ionia County Community Foundation
  Lowell Area Community Fund
  Southeast Ottawa Community Foundation
  Sparta Community Foundation
  Wyoming Community Foundation
46 Grand Traverse Regional Community Foundation
48 Gratiot County Community Foundation
37 Greenville Area Community Foundation
  Lakeview Area Community Fund
  Montcalm Panhandle Community Fund
43 Hillsdale County Community Foundation
60 Huron County Community Foundation
21 Jackson Community Foundation
22 Kalamazoo Community Foundation
  Covert Township Community Foundation Fund
67 Keweenaw Community Foundation
77 Lapeer County Community Foundation
23 Leelanau Township Community Foundation
62 Lenawee Community Foundation
55 Livonia Community Foundation
25 M & M Area Community Foundation
65 Mackinac Island Community Foundation
39 Marquette Community Foundation
  Greater Ishpeming Area Community Fund
  Gwinn Area Community Fund
  Negaunee Area Community Fund
26 Marshall Community Foundation
05 Michigan Gateway Community Foundation
27 Midland Area Community Foundation
  Clare County Community Foundation
  Gladwin County Endowment Fund
42 Mt. Pleasant Area Community Foundation
72 North Woodward Community Foundation
75 Otsego County Community Foundation
47 Petoskey-Harbor Springs Area Community Foundation
76 Roscommon County Community Foundation
30 Saginaw Community Foundation
  Chesaning Area Community Foundation Fund
61 Sanilac County Community Foundation
71 Shelby Community Foundation
31 Shiawassee Community Foundation
57 Southfield Community Foundation
74 Sterling Heights Community Foundation
40 Sturgis Area Community Foundation
  Constantine Area Community Foundation
  White Pigeon Area Community Foundation
32 Three Rivers Area Community Foundation
73 Tuscola County Community Foundation
  Cass City Booster's Club
  Greater Millington Area Fund

School District Code List (See MI-1040 or MI-1040CR, line 4.)

Michigan public school districts are listed alphabetically with code numbers to the **left** of the names. When more than one district has the same name, the county or city name in parentheses helps you choose the right district. **Residents,** choose the code for the district where you lived on December 31, 2010. Call your local assessor or treasurer if you do not know your school district name. **Nonresidents,** enter "10000" in the school district code box.

31020 Adams Twp.
46020 Addison
46010 Adrian
58020 Airport
79010 Akron-Fairgrove
24030 Alanson
05010 Alba
13010 Albion
01010 Alcona
74030 Algonac
03030 Allegan
82020 Allen Park
70040 Allendale
29010 Alma
44020 Almont
04010 Alpena
50040 Anchor Bay
81010 Ann Arbor
06010 Arenac Eastern
50050 Armada
07010 Arvon Twp.
29020 Ashley
13050 Athens
25130 Atherton
60010 Atlanta
06020 Au Gres-Sims
02010 AuTrain-Onota
63070 Avondale

32010 Bad Axe
43040 Baldwin
80020 Bangor (Van Buren)
80240 Bangor Twp.
09030 Bangor Twp. (Bay)
07020 Baraga
21090 Bark River-Harris
19100 Bath
13020 Battle Creek
09010 Bay City
37040 Beal City
51020 Bear Lake
15010 Beaver Island
26010 Beaverton
58030 Bedford
25240 Beecher
34080 Belding
05040 Bellaire
23010 Bellevue
25060 Bendle
25230 Bentley
11010 Benton Harbor
10015 Benzie County Central
63050 Berkley
34140 Berlin Twp.
11240 Berrien Springs
27010 Bessemer
21065 Big Bay De Noc
62470 Big Jackson
54010 Big Rapids
73170 Birch Run
63010 Birmingham
46040 Blissfield
63080 Bloomfield Hills
32250 Bloomfield Twp.
80090 Bloomingdale
49020 Bois Blanc Pines
15020 Boyne City
15030 Boyne Falls
63180 Brandon
11210 Brandywine
29040 Breckenridge

22030 Breitung Twp.
73180 Bridgeport-Spaulding
11340 Bridgman
47010 Brighton
17140 Brimley
46050 Britton-Macon
12020 Bronson
76060 Brown City
11310 Buchanan
28035 Buckley
73080 Buena Vista
56020 Bullock Creek
75020 Burr Oak
02020 Burt Twp.
78020 Byron
41040 Byron Center

83010 Cadillac
41050 Caledonia
31030 Calumet
30010 Camden-Frontier
74040 Capac
25080 Carman-Ainsworth
55010 Carney-Nadeau
79020 Caro
73030 Carrollton
59020 Carson City-Crystal
76070 Carsonville-Pt. Sanilac
32030 Caseville
79030 Cass City
14010 Cassopolis
41070 Cedar Springs
50010 Center Line
05035 Central Lake
59125 Central Montcalm
75030 Centreville
15050 Charlevoix
23030 Charlotte
31050 Chassell Twp.
16015 Cheboygan
81040 Chelsea
73110 Chesaning Union
54025 Chippewa Hills
50080 Chippewa Valley
32040 Church
18010 Clare
63090 Clarenceville
63190 Clarkston
63270 Clawson
39020 Climax-Scotts
46060 Clinton
50070 Clintondale
25150 Clio
12010 Coldwater
56030 Coleman
32260 Colfax Twp.
11330 Coloma
75040 Colon
38040 Columbia
39030 Comstock
41080 Comstock Park
38080 Concord
75050 Constantine
70120 Coopersville
78100 Corunna
80040 Covert
20015 Crawford AuSable
82230 Crestwood
76080 Croswell-Lexington

33040 Dansville
25140 Davison

82030 Dearborn
82040 Dearborn Heights
80050 Decatur
76090 Deckerville
46070 Deerfield
08010 Delton-Kellogg
17050 DeTour
82010 Detroit
19010 DeWitt
81050 Dexter
31100 Dollar Bay-Tamarack City
14020 Dowagiac Union
44050 Dryden
58050 Dundee
78030 Durand

74050 East China
50020 East Detroit
41090 East Grand Rapids
38090 East Jackson
15060 East Jordan
33010 East Lansing
34340 Easton Twp.
23050 Eaton Rapids
11250 Eau Claire
82250 Ecorse
14030 Edwardsburg
05060 Elk Rapids
32050 Elkton-Pigeon-Bay Port Laker
05065 Ellsworth
31070 Elm River Twp.
49055 Engadine
21010 Escanaba
09050 Essexville-Hampton
67020 Evart
66045 Ewen-Trout Creek
40060 Excelsior

68030 Fairview
63200 Farmington
18020 Farwell
03050 Fennville
25100 Fenton
63020 Ferndale
50090 Fitzgerald
82180 Flat Rock
25010 Flint
25120 Flushing
40020 Forest Area
41110 Forest Hills
36015 Forest Park
19070 Fowler
47030 Fowlerville
73190 Frankenmuth
10025 Frankfort-Elberta
50100 Fraser
53030 Free Soil
73200 Freeland
62040 Fremont
61080 Fruitport
29050 Fulton

39050 Galesburg-Augusta
11160 Galien Twp.
82050 Garden City
69020 Gaylord
25070 Genesee
82290 Gibraltar
21025 Gladstone
26040 Gladwin
45010 Glen Lake
03440 Glenn

80110 Gobles
41120 Godfrey-Lee
41020 Godwin Heights
25050 Goodrich
25030 Grand Blanc
70010 Grand Haven
23060 Grand Ledge
41010 Grand Rapids
41130 Grandville
62050 Grant
42030 Grant Twp.
38050 Grass Lake
59070 Greenville
82300 Grosse Ile Twp.
82055 Grosse Pointe
39065 Gull Lake
52040 Gwinn

11670 Hagar Twp.
35020 Hale
03100 Hamilton
82060 Hamtramck
31010 Hancock
38100 Hanover-Horton
32060 Harbor Beach
24020 Harbor Springs
13070 Harper Creek
82320 Harper Woods
18060 Harrison
64040 Hart
80120 Hartford
47060 Hartland
33060 Haslett
08030 Hastings
63130 Hazel Park
73210 Hemlock
62060 Hesperia
82070 Highland Park
60020 Hillman
30020 Hillsdale
70020 Holland
63210 Holly
33070 Holt
61120 Holton
13080 Homer
03070 Hopkins
72020 Houghton Lake
31110 Houghton-Portage
47070 Howell
46080 Hudson
70190 Hudsonville
82340 Huron
63220 Huron Valley

58070 Ida
44060 Imlay City
82080 Inkster
16050 Inland Lakes
34010 Ionia
34360 Ionia Twp.
22010 Iron Mountain
27020 Ironwood
52180 Ishpeming
29060 Ithaca

38170 Jackson
58080 Jefferson (Monroe)
70175 Jenison
69030 Johannesburg-Lewiston
30030 Jonesville

39010 Kalamazoo
51045 Kaleva Norman Dickson
40040 Kalkaska
25110 Kearsley
41140 Kelloggsville
41145 Kenowa Hills
41150 Kent City
41160 Kentwood
28090 Kingsley
79080 Kingston

07040 L'Anse
50140 L'Anse Creuse
78040 Laingsburg
57020 Lake City
25200 Lake Fenton
31130 Lake Linden-Hubbell
63230 Lake Orion
50120 Lake Shore (Macomb)
11030 Lakeshore (Berrien)
13090 Lakeview (Calhoun)
50130 Lakeview (Macomb)
59090 Lakeview (Montcalm)
25280 LakeVille
34090 Lakewood
63280 Lamphere
33020 Lansing
44010 Lapeer
80130 Lawrence
80140 Lawton
45020 Leland
49040 Les Cheneaux
33100 Leslie
81070 Lincoln
82090 Lincoln Park
25250 Linden
30040 Litchfield
82095 Livonia
41170 Lowell
53040 Ludington

49110 Mackinac Island
16070 Mackinaw City
46090 Madison (Lenawee)
63140 Madison (Oakland)
05070 Mancelona
81080 Manchester
51070 Manistee
77010 Manistique
83060 Manton
23065 Maple Valley
13095 Mar Lee
14050 Marcellus
67050 Marion
76140 Marlette
52170 Marquette
13110 Marshall
03060 Martin
74100 Marysville
33130 Mason (Ingham)
58090 Mason (Monroe)
53010 Mason County Central
53020 Mason County Eastern
80150 Mattawan
79090 Mayville
57030 McBain
82045 Melvindale-North Allen Park
74120 Memphis
75060 Mendon
55100 Menominee
56050 Meridian
73230 Merrill
83070 Mesick
38120 Michigan Center
21135 Mid Peninsula
56010 Midland
81100 Milan
79100 Millington
68010 Mio-AuSable
61060 Mona Shores

58010 Monroe
59045 Montabella
61180 Montague
25260 Montrose
49070 Moran Twp.
46100 Morenci
54040 Morley Stanwood
78060 Morrice
50160 Mt. Clemens
25040 Mt. Morris
37010 Mt. Pleasant
02070 Munising
61010 Muskegon
61020 Muskegon Heights

38130 Napoleon
52090 Negaunee
11200 New Buffalo
50170 New Haven
78070 New Lothrop
62070 Newaygo
52015 N.I.C.E. (Ishpeming)
11300 Niles
30050 North Adams-Jerome
44090 North Branch
55115 North Central
22045 North Dickinson
32080 North Huron
61230 North Muskegon
45040 Northport
41025 Northview
82390 Northville
38140 Northwest
22025 Norway-Vulcan
75100 Nottawa
63100 Novi

63250 Oak Park
61065 Oakridge
33170 Okemos
23080 Olivet
71050 Onaway
23490 Oneida Twp.
51060 Onekama
46110 Onsted
66050 Ontonagon
61190 Orchard View
35010 Oscoda
03020 Otsego
19120 Ovid-Elsie
32090 Owendale-Gagetown
78110 Owosso
63110 Oxford

34040 Palo
39130 Parchment
80160 Paw Paw
76180 Peck
24040 Pellston
13120 Pennfield
64070 Pentwater
78080 Perry
24070 Petoskey
19125 Pewamo-Westphalia
17090 Pickford
47080 Pinckney
09090 Pinconning
67055 Pine River
30060 Pittsford
03010 Plainwell
82100 Plymouth-Canton
63030 Pontiac
32130 Port Hope
74010 Port Huron
39140 Portage
34110 Portland
71060 Posen
23090 Potterville
52100 Powell Twp.

12040 Quincy

21060 Rapid River
61210 Ravenna
30070 Reading
82110 Redford Union
67060 Reed City
79110 Reese
61220 Reeths-Puffer
52110 Republic-Michigamme
50180 Richmond
82120 River Rouge
11033 River Valley
82400 Riverview
63260 Rochester
41210 Rockford
71080 Rogers City
50190 Romeo
82130 Romulus
72010 Roscommon
50030 Roseville
63040 Royal Oak
17110 Rudyard

73010 Saginaw City
73040 Saginaw Twp.
81120 Saline
46130 Sand Creek
76210 Sandusky
34120 Saranac
03080 Saugatuck
17010 Sault Ste. Marie
39160 Schoolcraft
64080 Shelby
37060 Shepherd
32610 Sigel Twp. 3 (Adams)
32620 Sigel Twp. 4 (Eccles)
32630 Sigel Twp. 6 (Kipper)
11830 Sodus Twp.
80010 South Haven
50200 South Lake
63240 South Lyon
82140 South Redford
63060 Southfield
82405 Southgate
41240 Sparta
70300 Spring Lake
38150 Springport
73240 St. Charles
49010 St. Ignace
19140 St. Johns
11020 St. Joseph
29100 St. Louis
06050 Standish-Sterling
31140 Stanton Twp.
55120 Stephenson
33200 Stockbridge
75010 Sturgis
58100 Summerfield
02080 Superior Central
45050 Suttons Bay
73255 Swan Valley
25180 Swartz Creek

48040 Tahquamenon
35030 Tawas
82150 Taylor
46140 Tecumseh
13130 Tekonsha
08050 Thornapple Kellogg
75080 Three Rivers
28010 Traverse City
82155 Trenton
59080 Tri County
63150 Troy

32170 Ubly
13135 Union City
79145 Unionville-Sebewaing
50210 Utica

82430 Van Buren
50220 Van Dyke

69040 Vanderbilt
38020 Vandercook Lake
79150 Vassar
32650 Verona Twp.
59150 Vestaburg
39170 Vicksburg

27070 Wakefield-Marenisco
30080 Waldron
64090 Walkerville
63290 Walled Lake
50230 Warren
50240 Warren Woods
63300 Waterford
27080 Watersmeet Twp.
11320 Watervliet
33215 Waverly
03040 Wayland Union
82160 Wayne-Westland
33220 Webberville
52160 Wells Twp.
63160 West Bloomfield
65045 West Branch-Rose City
36025 West Iron County
70070 West Ottawa
38010 Western
82240 Westwood
25210 Westwood Heights
62090 White Cloud
75070 White Pigeon
17160 Whitefish
58110 Whiteford
61240 Whitehall
81140 Whitmore Lake
35040 Whittemore-Prescott
33230 Williamston
81150 Willow Run
16100 Wolverine
82365 Woodhaven-Brownstown
82170 Wyandotte
41026 Wyoming

74130 Yale
81020 Ypsilanti

70350 Zeeland

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Financial Information for Fiscal Year 2009

This information is intended to provide an overview and broad perspective of the State's financial operations. These figures were derived from the latest *Michigan Comprehensive Annual Financial Report* for the fiscal year ended September 30, 2009.

State Revenues and Financing Sources

(Millions of Dollars)

Financing Source	Amount	%
Sales and Use Taxes	$7,372.8	27.7%
Income Tax	5,856.8	22.0%
Other Revenue & Taxes	5,005.3	18.8%
Mich. Business, SBT & Ins. Taxes	2,546.2	9.5%
State Education Tax	2,040.7	7.7%
Motor Vehicle & Fuel Taxes	1,860.6	7.0%
Tobacco & Liquor Taxes	1,205.6	4.5%
Lottery Profits	737.2	2.8%
Total	$26,625.2	100.0%

State Expenditures and Financing Uses

(Millions of Dollars)

Financing Use	Amount	%
Education	$12,976.8	48.8%
Health	3,980.0	15.0%
Law Enforcement & Public Safety	2,156.3	8.1%
Transportation	1,988.8	7.5%
General Government	1,553.7	5.8%
Human Services	1,393.5	5.2%
Revenue Sharing to Local Governments	1,040.0	3.9%
Economic Dev. & Environmental Reg.	861.6	3.2%
Other	674.5	2.5%
Total	$26,625.2	100.0%

Treasury Offices

Forms are available at all Treasury offices listed below. Treasury office staff do not prepare tax returns.

DETROIT, 48202-6060
Cadillac Place, Suite 2-200
3060 W. Grand Boulevard

DIMONDALE *
7285 Parsons Drive
(*NOT a mailing address)

ESCANABA, 49829
State Office Building, Room 7
305 Ludington Street
(open 8 - 12 only)

FLINT, 48502
State Office Building, 7th Floor
125 E. Union Street

GRAND RAPIDS, 49503
State Office Building, 2nd Floor
350 Ottawa Avenue, NW - Unit 17

STERLING HEIGHTS, 48314
41300 Dequindre Road, Suite 200

TRAVERSE CITY, 49684
701 S. Elmwood Avenue, 4th Floor
(open 8 - 12 only)

This booklet was prepared in 2011 to provide taxpayers with useful information about their 2010 state taxes. It is not meant as a substitute for Michigan Department of Treasury tax instruction booklets.

The tax forms have been included as an example for taxpayers. Anyone using these forms to file their state income tax and property tax credits should consult the department's instruction booklets. Any references on these forms to page numbers refer to the department's instruction booklets and not the Taxpayer's Guide.

Issued under authority of Public Act 281 of 1967.

2010 MICHIGAN Individual Income Tax Return MI-1040

Return is due April 18, 2011.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

1. Filer's First Name	M.I.	Last Name	2. Filer's Social Security No. (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Social Security No. (Example: 123-45-6789) — —
Home Address (No., Street, P.O. Box or Rural Route)			
City or Town	State	ZIP Code	4. School District Code (5 digits - see p. 49)

5. STATE CAMPAIGN FUND

Check this box if you (or your spouse, if filing a joint return) want $3 of your taxes to go to this fund. This will not increase your tax or reduce your refund.

	Yes	No
a. You	☐	☐
b. Spouse	☐	☐

6. FARMERS, FISHERMEN OR SEAFARERS

☐ Check this box if 2/3 of your income is from farming, fishing or seafaring.

7. FILING STATUS. Check one.

a. ☐ Single

b. ☐ Married, filing jointly

c. ☐ Married, filing separately*

* If you check box "c," complete line 3 and enter spouse's name below:

8. RESIDENCY. Check all that apply.

a. ☐ Resident

b. ☐ Nonresident*

c. ☐ Part-Year Resident*

* If you check box "b" or "c," you must complete and attach Schedule NR.

9. EXEMPTIONS

a. Number of exemptions you claimed on your 2010 federal return	9a.		x $3,600		00
b. Number of individuals 65 or older who qualify for a special exemption	9b.		x $2,300		00
c. Number of individuals who qualify for one of the following special exemptions: deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled	9c.		x $2,300		00
d. Number of children ages 18 and under you claimed as Michigan exemptions	9d.		x $600		00
e. Number of qualified disabled veterans	9e.		x $300		00
f. If your unemployment compensation is 50% or more of your Adjusted Gross Income (amount claimed on line 10) check (X) the box and enter $2,300	9f.	☐	$2,300		00
g. If someone else can claim you as a dependent, check (X) the box, complete Worksheet 2 on p.10, and enter the amount from the worksheet	9g.	☐	9g.		00
h. Add lines 9a, 9b, 9c, 9d, 9e, 9f and 9g. Enter here and on line 15				9h.	00

10.	**Adjusted Gross Income** from your U.S. Forms *1040, 1040A, 1040EZ* or *1040NR* (see p. 10)	10.	00
11.	Additions from Michigan Schedule 1, line 7. Attach Schedule 1	11.	00
12.	**Total.** Add lines 10 and 11	12.	00
13.	Subtractions from Michigan Schedule 1, line 21. Attach Schedule 1	13.	00
14.	**Income subject to tax.** Subtract line 13 from line 12. If line 13 is greater than line 12, enter "0"	14.	00
15.	**Exemption allowance**. Amount from line 9h or Schedule NR, line 20	15.	00
16.	**Taxable income.** Subtract line 15 from line 14. If line 15 is greater than line 14, enter "0"	16.	00
17.	**Tax.** Multiply line 16 by 4.35% (0.0435)	17.	00
18.	**Total Nonrefundable Credits.** Amount from Schedule 2, line 11. Attach Schedule 2	18.	00
19.	**Income Tax.** Subtract line 18 from line 17. If line 18 is greater than line 17, enter "0"	19.	00

DIRECT DEPOSIT

Deposit your refund directly into your bank account! See p. 11 and complete a, b and c.

a. Routing Transit Number

b. Type of Account (1) ☐ Checking (2) ☐ Savings

c. Account Number

+ 0000 2010 05 01 27 9

Continue on page 2. This form cannot be processed if page 2 is not completed and attached.

Filer's Social Security Number — —

20.	Enter amount of Income Tax from line 19	20.	00
21.	Voluntary Contributions from Form 4642, line 11. Attach Form 4642	21.	00
22.	**USE TAX** Use tax due on Internet, mail order or other out-of-state purchases from Worksheet 1, line 3, p. 9.	▸ 22.	00
23.	Add lines 20, 21 and 22	23.	00

REFUNDABLE CREDITS AND PAYMENTS

24.	Property Tax Credit. Attach MI-1040CR or MI-1040CR-2	▸ 24.	00
25.	Farmland Preservation Credit. Attach MI-1040CR-5	▸ 25.	00
26.	Qualified Adoption Expenses. Attach U.S. Form *8839* and MI-8839	▸ 26.	00
27.	Stillbirth Credit. Amount from Worksheet 3, line B, p. 11	▸ 27.	00
28.	a. Federal Earned Income Tax Credit ▸ 28a.		00
	b. Michigan Earned Income Tax Credit. Multiply line 28a by 20% (0.20)	▸ 28b.	00
29.	Energy Efficient Qualified Home Improvement Credit. Attach Form 4764	▸ 29.	00
30.	Michigan Historic Preservation Tax Credit (refundable). Attach Form 3581	▸ 30.	00
31.	Michigan tax withheld from Schedule W, line 3. Attach Schedule W **(do not submit W-2's)**	▸ 31.	00
32.	Estimated tax, extension payments and 2009 credit forward	▸ 32.	00
33.	Total refundable credits and payments. Add lines 24 through 27, 28b, and 29 through 32	33.	00

REFUND OR TAX DUE

34.	If line 33 is less than line 23, subtract line 33 from line 23. ▸ Office Use Only Include interest ____ and penalty ____ if applicable (see p. 11)....**YOU OWE**	34.	00
35.	**Overpayment.** If line 33 is greater than line 23, subtract line 23 from line 33	35.	00
36.	**Credit Forward.** Amount of line 35 to be credited to your 2011 estimated tax for your 2011 tax return	▸ 36.	00
37.	Subtract line 36 from line 35 **REFUND**	▸ 37.	00

Deceased Taxpayer. If Filer and/or Spouse died after December 31, 2009, check the appropriate box below.

▸ ☐ Filer is Deceased ▸ ☐ Spouse is Deceased

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

Filer's Signature	Date
Spouse's Signature	Date

▸ I authorize Treasury to discuss my return with my preparer. ☐ Yes ☐ No

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

▸ Preparer's PTIN, FEIN or SSN

▸ Preparer's Business Name (print or type)

Preparer's Business Address (print or type)

Refund, credit, or zero returns. Mail your return to: **Michigan Department of Treasury, Lansing, MI 48956**
Pay amount on line 34. Mail your check and return to: **Michigan Department of Treasury, Lansing, MI 48929**

Make your check payable to "**State of Michigan**." Print your **Social Security number** and "**2010 income tax**" on the front of your check. If paying on behalf of another taxpayer, **write the taxpayer's name and Social Security number** on the check. Do not staple your check to the return. Keep a copy of your return and all supporting schedules for six years. To check the status of your refund, have a copy of your MI-1040 available when you visit: **www.michigan.gov/iit**

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2010 MICHIGAN Schedule 1 Additions and Subtractions

Issued under authority of Public Act 281 of 1967.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7
Attach to Form MI-1040.

Attachment 1A

Filer's First Name	M.I.	Last Name	Filer's Social Security Number (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) — —

Additions to Income (all entries must be positive numbers)

1.	Gross interest and dividends from obligations issued by states (other than Michigan) or their political subdivisions	1.	00
2.	Deduction for taxes on, or measured by, income including self-employment tax taken on your federal return (see p. 12)	2.	00
3.	Gains from Michigan column of MI-1040D and MI-4797	3.	00
4.	Losses attributable to other states (see p. 12)	4.	00
5.	Net loss from federal column of your Michigan MI-1040D or MI-4797	5.	00
6.	Other (see p. 12). **Describe:** _____	6.	00
7.	**Total additions.** Add lines 1 through 6. Enter here and on MI-1040, line 11	7.	00

Subtractions from Income (all entries must be positive numbers)

8.	Income from U.S. government bonds and other U.S. obligations included in MI-1040, line 10. Attach U.S. *Schedule B* or U.S. *1040A Schedule 1* if over $5,000	8.	00
9.	Military pay from U.S. Armed Forces included in MI-1040, line 10. Attach Schedule W. (Include retirement pay on line 12 of this schedule.)	9.	00
10.	Gains from federal column of Michigan MI-1040D and MI-4797	10.	00
11.	Income attributable to another state. **Explain type and source:** _____	11.	00
12.	Retirement or pension benefits included in MI-1040, line 10. (Include military retirement here.) See exceptions, p. 13. **Name of payer:** _____	12.	00
13.	Dividend/interest/capital gains deduction for senior citizens (see p. 13)	13.	00
14.	Social Security benefits from U.S. Form *1040*, line 20b or U.S. Form *1040A*, line 14b	14.	00
15.	Income earned while a resident of a renaissance zone. **Name of zone:** _____	15.	00
16.	Michigan state and local income tax refunds received in 2010 and included in MI-1040, line 10	16.	00
17.	Michigan Education Savings Program msp and MI529Advisor Plan	17.	00
18.	MET Michigan Education Trust	18.	00
19.	Venture Capital Deduction. Not available for 2010	19.	00
20.	Miscellaneous subtractions (see p. 14). **Describe:** _____	20.	00
21.	**Total subtractions.** Add lines 8 through 20. Enter here and on MI-1040, line 13	21.	00

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Continue to Schedule 2.

2010 MICHIGAN Schedule 2 Nonrefundable Credits

Issued under authority of Public Act 281 of 1967.

Attach to Form MI-1040. **Attachment 1B**

Filer's First Name	M.I.	Last Name	▸ Filer's Social Security Number (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) — —

			Amount			Credit	
1.	City Income Tax Credit (see p. 15)	▸ 1a.		00	1b.		00
2.	Public Contribution Credit (see p. 15)	▸ 2a.		00	2b.		00
3.	Community Foundation Credit. Enter code from p. 48 ▸	▸ 3a.		00	3b.		00
4.	Homeless Shelter/Food Bank Credit (see p. 15)	▸ 4a.		00	4b.		00
5.	Credit for Income Tax Imposed by Government Units Outside Michigan. Attach a copy of the return	5a.		00	▸ 5b.		00
6.	Michigan Historic Preservation Tax Credit (nonrefundable). For a refund of any unused credit, see Form 3581 inst. Attach Form 3581	▸ 6a.		00	▸ 6b.		00
7.	College Tuition and Fees Credit. Attach Schedule CT				▸ 7.		00
8.	Vehicle Donation Credit. Enter code from list below. ▸	▸ 8a.		00	8b.		00
9.	Individual or Family Development Account Credit. Attach MSHDA certificate	9a.		00	▸ 9b.		00
10.	Renewable Energy Surcharge Credit	▸ 10a.		00	10b.		00

11. Total nonrefundable credits. Add lines 1b, 2b, 3b, 4b, 5b, 6b, 7, 8b, 9b and 10b. Enter here and carry amount to your MI-1040, line 18 ..... 11. 00

VEHICLE DONATION CREDIT CODE TABLE

604	Carlink, Inc.
505	CarsINC
105	Goodwill Industries of Mid-Michigan, Inc.
705	Goodwill Industries of Northern Michigan, Inc.
905	Goodwill Industries of Southeast Michigan, Inc.
803	Goodwill Industries of West Michigan, Inc.
601	Goodwill of Southwestern Michigan, Inc.
202	Goodwill Wheels to Work

✚ 0000 2010 09 02 27 9

Use Tax

Every state that has a sales tax has a companion tax for purchases made outside that state by catalog, telephone, or Internet. In Michigan, that companion tax is called the "use tax," but might be described more accurately as a remote sales tax because it is a 6 percent tax owed on purchases made outside of Michigan.

Use tax is due on catalog, telephone, or Internet purchases made from out-of-state sellers as well as purchases while traveling in foreign countries when the items are to be brought into Michigan. Use tax must be paid on the total price (including shipping and handling charges).

How to Pay Use Tax

Use Worksheet 1 below to calculate your tax and enter the amount of tax due on MI-1040, line 22.

Worksheet Calculation

Line 1: For purchases of $0-$1,000, multiply your total purchases times 6 percent (0.06) and enter the amount on Line 1, **or**

If you have incomplete or inaccurate receipts to calculate your purchases, you may use Table 1 - Use Tax to estimate your taxes. (See the following example.)

Line 1 should contain a number unless you made no purchases under $1,000 subject to the use tax. If we later determine that you owe use tax, you may be subject to penalty and interest.

Line 2: In all cases, if a single purchase is $1,000 or more, you must pay 6 percent use tax on those purchases.

Example: Kurt ordered a computer from a catalog retailer in New York for $1,437.50. Kurt also purchased items over the Internet for less than $1,000 during the year, but lost his receipts. He is sure he did not pay Michigan sales tax. Kurt's AGI is $46,500. Kurt would complete Worksheet 1 as follows:

Line 1: Kurt selects $36 from the table based on his AGI $36

Line 2: Kurt enters $1,437.50 x 6 percent..... $86.25

Line 3: Total use tax due $122.25

Kurt would enter $122 (no cents) on his 2010 MI-1040, line 22**.**

Estimating your taxes does not preclude Treasury from auditing your account. If additional tax is due, you may receive an assessment for the amount of the tax owed, plus applicable penalty and interest.

TABLE 1 - USE TAX

AGI*	Tax
$0 - $10,000	$4
$10,001 - $20,000	$12
$20,001 - $30,000	$20
$30,001 - $40,000	$28
$40,001 - $50,000	$36
$50,001 - $75,000	$50
$75,001 - $100,000	$70
Above $100,000	Multiply AGI by 0.08% (0.0008)

* AGI from MI-1040, line 10.

Use Tax on the Difference

If you paid at least 6 percent to another state on your purchase, you do not owe use tax to Michigan. If you paid less than 6 percent, you owe the difference.

Note: The full 6 percent use tax is owed on purchases made in a foreign country.

For more information, visit www.michigan.gov/taxes.

WORKSHEET 1 - USE TAX

Line 1: Itemized purchases of $0 to $1,000 x 6 percent (0.06) **OR** Use Tax table amount ..... $ _____

Line 2: Single purchases $1,000 or more x 6 percent (0.06)... $ _____

Line 3: Total Use Tax Due (add Lines 1 and 2)..... $ _____

Enter amount from Line 3 above on your 2010 MI-1040, line 22. If the amount on Line 3 is 0, enter "0" on your 2010 MI-1040, line 22.

2010 MICHIGAN Voluntary Contributions Schedule

Issued under authority of Public Act 281 of 1967.

INSTRUCTIONS: Use this schedule to make a donation from your refund to any of the organizations listed below. If you are not receiving a refund, your donation will increase your tax due. Check the box associated with the dollar amount you wish to contribute in columns A or B or enter a specific dollar amount greater than $10 in the space provided in column C. Enter the total of your contribution for each line in column D. For detailed descriptions of each fund, see the reverse side of this form. Attach completed form to Form MI-1040.

Type or print in blue or black ink. Print numbers like this : 0123456789 - NOT like this: Ø 1 4 7
Attach to Form MI-1040.

Attachment 18

Filer's First Name	M.I.	Last Name	Filer's Social Security Number (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) — —

		A.	B.	C. Other Amount (greater than $10)		D. Total Contribution
1.	Animal Welfare Fund	☐ $5	☐ $10	$ 00	1.	00
2.	Children of Veterans Tuition Grant Program	☐ $5	☐ $10	$ 00	2.	00
3.	Children's Hospital of Michigan Fund	☐ $5	☐ $10	$ 00	3.	00
4.	Children's Miracle Network Fund	☐ $5	☐ $10	$ 00	4.	00
5.	Children's Trust Fund - Prevent Child Abuse Michigan	☐ $5	☐ $10	$ 00	5.	00
6.	Foster Care Trust Fund	☐ $5	☐ $10	$ 00	6.	00
7.	Michigan Council for the Arts Fund	☐ $5	☐ $10	$ 00	7.	00
8.	Military Family Relief Fund	☐ $5	☐ $10	$ 00	8.	00
9.	Renewable Fuels Fund	☐ $5	☐ $10	$ 00	9.	00
10.	United Way Fund	☐ $5	☐ $10	$ 00	10.	00
11.	Add column D, lines 1 through 10. Enter total of column D here and carry amount to your MI-1040, line 21				11.	00

This form must be attached to your MI-1040 to ensure your contributions are properly credited to the designated fund(s). Visit **www.michigan.gov/taxes** for details on voluntary contribution funds.

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2010 MICHIGAN Homestead Property Tax Credit Claim MI-1040CR

Issued under authority of Public Act 281 of 1967. Type or print in blue or black ink.

Print numbers like this : 0123456789 - NOT like this: Ø 1 4 7

Attachment 05

1. Filer's First Name	M.I.	Last Name	2. Filer's Social Security Number (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Social Security Number (Example: 123-45-6789) — —
Home Address (No., Street, P.O. Box or Rural Route)			
City or Town	State	ZIP Code	4. School District Code (5 digits - see p. 49)

5. Check the box(es) for which you or your spouse qualify (excluding dependents):

a. ☐ Age 65 or older; or an unremarried spouse of a person who was 65 or older at the time of death

b. ☐ Deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled

6.	**Homeowners:** Enter the 2010 **taxable value** of your homestead (see p. 20)		6.	00
7.	Property Taxes levied on your home in 2010 (see p. 18) or amount from line 42, 47 and 49		7.	00
8.	**Renters:** Enter rent you paid in 2010 from line 44	8. 00		
9.	Multiply line 8 by 20% (0.20)		9.	00
10.	**Total.** Add lines 7 and 9		10.	00

HOUSEHOLD INCOME. Include income from both spouses.

11.	Wages, salaries, tips, sick, strike and SUB pay, etc.		11.	00
12.	All interest and dividend income (including nontaxable interest)		12.	00
13.	Net business, royalty or rent income (including self-employment)		13.	00
14.	Retirement pension, annuity, and IRA benefits. Name of payer: _____		14.	00
15.	Net farm income		15.	00
16.	Capital gains less capital losses (see p. 21)		16.	00
17.	Alimony and other taxable income (see p. 21). Describe: _____		17.	00
18.	Social Security, SSI and/or railroad retirement benefits		18.	00
19.	Child support and foster parent payments (see p. 21)		19.	00
20.	Unemployment compensation		20.	00
21.	Other nontaxable income (see p. 21). Describe: _____		21.	00
22.	Workers' compensation, veterans' disability compensation and pension benefits		22.	00
23.	FIP and other DHS benefits (do not include Food Assistance Program benefits)		23.	00
24.	**SUBTOTAL.** Add lines 11 through 23 ..... **SUBTOTAL**		24.	00
25.	Other adjustments (see p. 21). Describe: _____	25. 00		
26.	Medical insurance or HMO premiums you paid for you and your family (see p. 21)	26. 00		
27.	Add lines 25 and 26		27.	00
28.	**HOUSEHOLD INCOME.** Subtract line 27 from line 24. If more than $82,650, STOP; you are not eligible		28.	00
29.	Multiply line 28 by 3.5% (0.035) or by the percent in Table 2 (see p. 22) (if negative, enter "0")		29.	00
30.	Subtract line 29 from line 10. If line 29 is more than line 10, enter "0" and STOP; you are not eligible		30.	00

If you checked a box on line 5, complete line 32 or 33. FIP/DHS recipients, complete line 32. All others must complete line 31.

31.	Multiply line 30 by 60% (0.60) (maximum $1,200). Go to line 34	31.	00
32.	**FIP/DHS recipients**, enter amount from Worksheet 5 on p. 22. **Seniors who pay rent**, complete Worksheet 6 on p. 22 and enter amount from worksheet here (maximum $1,200). Go to line 34	32.	00
33.	If you checked a box on line 5 (if you completed line 32, skip this line), enter the amount from line 30 (maximum $1,200). Go to line 34	33.	00
34.	**CREDIT.** If your household income (line 28) is less than or equal to $73,650, enter the amount that applies to you from line 31, 32 or 33 here. If household income is more than $73,650, you must reduce your credit (see instructions on p. 22). If you file an MI-1040, carry this amount to your MI-1040, line 24	34.	00

✚ 0000 2010 25 01 27 7

Continue on page 2. This form cannot be processed if page 2 is not completed and attached.

Filer's Social Security Number
— —

▸ 35. Residency Status in 2010:

a. ☐ Resident

b. ☐ Nonresident

c. ☐ Part-Year Resident*

*If you checked box "c," enter dates of **Michigan** residency in 2010.
Enter dates as MM-DD-YYYY (Example: 04-15-2010)

	FILER	SPOUSE
FROM:	— — 2010	— — 2010
TO:	— — 2010	— — 2010

PART 1: HOMEOWNERS. Report on lines 36 and 37 the addresses of the homesteads for which you are claiming a credit.

36. Address where you lived on December 31, 2010, if different than reported on line 1.	Taxable Value
37. Address of homestead sold during 2010 (No., Street, City, ZIP Code).	Taxable Value

Homeowners who moved during 2010, complete lines 38 through 42.

		HOMESTEAD A. Moved Into	HOMESTEAD B. Moved From
38. Number of days occupied (total cannot be more than 365)	▸ 38.		
39. Divide line 38 by 365 and enter percentage here	39.	%	%
40. Property taxes levied and assessed in calendar year 2010	40.		
41. Prorated taxes. Multiply line 40 by percentage on line 39	41.		
42. Taxes eligible for credit. Add line 41, columns A and B. Enter here and on line 7	42.	00	

PART 2: RENTERS

43. A Address of Homestead You Rented (No., Street, Apt. #, City, ZIP Code)	B Landowner's Name and Address	C # Months Rented	D Monthly Rent	▸ E Total Rent Paid Less Mobile Home Taxes

44. Total rent you paid (not more than 12 mos). Add total rent for each period. Enter here and on line 8 ... 44. 00

PART 3: OCCUPANTS OF HOUSING ON WHICH SERVICE FEES ARE PAID INSTEAD OF TAXES

45. Name and Address of Housing Project or Landowner

46. Enter the total rent you paid in 2010. Do not include amounts paid on your behalf by a government agency .. 46. 00

47. Multiply line 46 by 10% (0.10) (see instructions). Enter here and on line 7 ... 47. 00

PART 4: OCCUPANTS OF NURSING OR ADULT FOSTER CARE HOMES OR HOMES FOR THE AGED

48. Name and Address of Care Facility

49. Your share of taxes paid by the landowner (see p. 19). Enter here and on line 7 ... 49. 00

DIRECT DEPOSIT
Deposit your refund directly into your bank account! See p. 11 and complete a, b and c.

a. Routing Transit Number ▸

b. Type of Account: ▸ (1) ☐ Checking (2) ☐ Savings

c. Account Number ▸

Deceased Taxpayers. If Filer and/or Spouse died after 12-31-2009, enter dates below.
ENTER DATE OF DEATH ONLY. *Example: 04-15-2011 (MM-DD-YYYY).*

▸ Filer — — ▸ Spouse — —

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

Filer's Signature	Date
Spouse's Signature	Date

▸ I authorize Treasury to discuss my return with my preparer. ☐ Yes ☐ No

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

▸ Preparer's PTIN, FEIN or SSN

▸ Preparer's Business Name (print or type)

Preparer's Business Address (print or type)

If you are also filing Form MI-1040, attach this form behind it.

If not, mail this form to: **Michigan Department of Treasury, Lansing, MI 48956**

✚ 0000 2010 25 02 27 5

Issued under authority of P.A. 281 of 1967.
Type or print in blue or black ink.

2010 MICHIGAN Homestead Property Tax Credit Claim for Veterans and Blind People MI-1040CR-2

Print numbers like this : 0123456789 - NOT like this: Ø 1 4 7

Attachment 06

PLACE LABEL HERE

1. Filer's First Name	M.I.	Last Name	2. Filer's Social Security Number (Example: 123-45-6789)
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Social Security Number (Example: 123-45-6789)
Home Address (No., Street, P.O. Box or Rural Route)			
City or Town	State	ZIP Code	4. School District Code (5 digits - see p. 15)

5. Residency Status in 2010:

a. ☐ Resident

b. ☐ Nonresident

c. ☐ Part-Year Resident*

*If you checked box "c," enter dates of **Michigan** residency in 2010.
Enter dates as MM-DD-YYYY (Example: 04-15-2010)

	FILER	SPOUSE
FROM:	2010	2010
TO:	2010	2010

6. Check one of the following that applies to you:

a. ☐ Blind and own your homestead

b. ☐ Veteran with service-connected disability or veteran's surviving spouse.

Enter percent of disability: ____ %

c. ☐ Surviving spouse of veteran deceased in service

* d. ☐ Active military, pensioned veteran or his/her surviving spouse

* e. ☐ Surviving spouse of a nondisabled or nonpensioned veteran of the Korean War, World War II, or World War I

* If you checked "d" or "e" above and your household income (line 29) is more than $7,500, you cannot claim a credit on this form.

7.	Taxable value allowance from Table 2, p.10	7.	00
8.	**Taxable value** of homestead	8.	00
9.	Property taxes levied on your home in 2010 (see p. 4)	9.	00
10.	Percent of tax relief. Divide line 7 by line 8 (not to exceed 100%)	10.	%
11.	Multiply line 9 by line 10. Enter the result (maximum $1,200)	11.	00
HOUSEHOLD INCOME. Include income from both spouses.			
12.	Wages, salaries, tips, sick, strike and SUB pay, etc.	12.	00
13.	All interest and dividend income (including nontaxable interest)	13.	00
14.	Net business, royalty or rent income (including self-employment)	14.	00
15.	Retirement pension, annuity, and IRA benefits. Name of payer: _____	15.	00
16.	Net farm income	16.	00
17.	Capital gains less capital losses (see p. 7)	17.	00
18.	Alimony and other taxable income (see p. 7). Describe: _____	18.	00
19.	Social Security, SSI and/or railroad retirement benefits	19.	00
20.	Child support and foster parent payments (see p. 7)	20.	00
21.	Unemployment compensation	21.	00
22.	Other nontaxable income (see p. 8). Describe: _____	22.	00
23.	Workers' compensation, veterans' disability compensation and pension benefits	23.	00
24.	FIP and other DHS benefits (do not include Food Assistance Program benefits)	24.	00
25.	**SUBTOTAL.** Add lines 12 through 24 ....**SUBTOTAL**	25.	00
26.	Other adjustments (see p. 8). Describe: _____ 26.		00
27.	Medical insurance or HMO premiums you paid for you and your family 27.		00
28.	Add lines 26 and 27	28.	00
29.	**HOUSEHOLD INCOME.** Subtract line 28 from line 25. If greater than $82,650, STOP; you are not eligible	29.	00
30.	**PROPERTY TAX CREDIT.** (Maximum $1,200). Enter one of the following: a. FIP/DHS RECIPIENTS, enter amount from the Worksheet on p. 8. b. If line 29 is more than $73,650, see instructions on p. 8 and enter the reduced amount. c. ALL OTHERS, enter the amount from line 11. If you file an MI-1040, carry this amount to your MI-1040, line 24.... **CREDIT**	30.	00

✚ 0000 2010 29 01 27 9

Continue on page 2. This form cannot be processed if page 2 is not completed and attached.

Filer's Social Security Number
— —

PART 1: HOMEOWNERS. Report on lines 31 and 32 the addresses of the homesteads for which you are claiming credit.

31. Address where you lived on December 31, 2010, if different than reported on line 1.
32. Address of homestead sold during 2010 (No., Street, City, ZIP Code).

Homeowners who moved during 2010, complete lines 33 through 41.
If you also rented a homestead during 2010, complete lines 42 through 53.

		HOMESTEAD A. Moved Into	HOMESTEAD B. Moved From
33. Number of days occupied (total cannot be more than 365)	▸ 33.		
34. Divide line 33 by 365 and enter percentage here	34.	%	%
35. Property taxes levied and assessed in calendar year 2010	35.		
36. Prorated taxes. Multiply line 35 by percentage on line 34	36.		
37. Taxable value allowance (see Table 1, p. 10)	37.		
38. Taxable value	38.		
39. Divide line 37 by line 38 and enter percentage here	39.	%	%
40. Prorated credit. Multiply line 36 by line 39	40.		
41. Property tax credit. Add line 40, columns A and B. Enter here and on line 11. **Part-year renters**, do not carry to line 11; complete lines 42 through 53	41.		00

PART 2: RENTERS. (Veterans Only)

42. A Address of Homestead You Rented (No., Street, Apt. #, City, ZIP Code)	B Landowner's Name and Address	C # Months Rented	D Monthly Rent	▸ E Total Rent Paid Less Mobile Home Taxes

43. Total rent you paid (not more than 12 months). Add total rent for each period	43.	00
44. Multiply line 43 by 20% (0.20). Service fee housing residents use 10% (0.10) (see p. 5). Full-year renters, enter here and on line 9	44.	00
45. Multiply **non-homestead** property tax millage by 0.001 (see p. 10, Credit Computation Examples)	45.	
46. **Full-year renters**, divide line 44 by line 45 to get your taxable value. Enter here and on line 8	46.	00
Part-year renters, complete lines 47 through 53.		
47. Divide line 43 by the number of months you rented	47.	00
48. Multiply line 47 by 12 months	48.	00
49. Multiply line 48 by 20% (0.20). Service fee housing residents use 10% (0.10) (see p. 5)	49.	00
50. Divide line 49 by line 45. This is your taxable value	50.	00
51. Percent of tax relief. Divide line 7 by line 50	51.	%
52. Multiply line 44 by line 51	52.	00
53. Add lines 41 and 52. Enter here and on line 11	53.	00

DIRECT DEPOSIT *Deposit your refund directly into your bank account! See p. 9 and complete a, b and c.*

a. Routing Transit Number ▸

b. Type of Account: ▸ (1) ☐ Checking (2) ☐ Savings

c. Account Number ▸

Deceased Taxpayers. If Filer and/or Spouse died after 12-31-2009, enter dates below. ***ENTER DATE OF DEATH ONLY.*** *Example: 04-15-2011 (MM-DD-YYYY).*

▸ Filer — — ▸ Spouse — —

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

Filer's Signature	Date
Spouse's Signature	Date

▸ I authorize Treasury to discuss my return with my preparer. ☐ Yes ☐ No

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

▸ Preparer's PTIN, FEIN or SSN

▸ Preparer's Business Name (print or type)

Preparer's Business Address (print or type)

If you are also filing Form MI-1040, attach this form behind it.
If not, mail this form to: **Michigan Department of Treasury, Lansing, MI 48956**

✚ 0000 2010 29 02 27 7

Issued under authority of Public Act 281 of 1967.

2010 MICHIGAN Farmland Preservation Tax Credit Claim MI-1040CR-5

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7
Attach to Form MI-1040. Read all instructions before completing this form.

Attachment 03

1. Filer's First Name	M.I.	Last Name	2. Filer's Social Security Number (Example: 123-45-6789)
			— —
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Social Security Number (Example: 123-45-6789)
			— —

PART 1: COMPUTATION OF CREDIT

Complete a Schedule CR-5 before completing Part 1.

4. Total taxes for all agreements from Schedule CR-5, line 3, column F 4. 00
5. Are all of the taxes that qualify for a homestead property tax credit included in the total on line 4?

   ☐ Yes ☐ No

6. If "No," enter the taxes on your home and farmland that qualify for a property tax credit but are not under a Farmland Developmental Rights Agreement 6. 00
7. Total. Add lines 4 and 6 ..... 7. 00
8. Household income from MI-1040CR, line 28, MI-1040CR-2, line 29 or MI-1040CR-7, line 31 ..... 8. 00
9. Depletion allowance claimed on your federal return 9. 00
10. Total. Add lines 8 and 9 ..... 10. 00
11. Total taxes on land covered by Farmland Developmental Rights Agreement from line 4 ..... 11. 00
12. Multiply line 10 by 3.5% (0.035). If negative, enter "0" 12. 00
13. Subtract line 12 from line 11 ..... 13. 00
14. Homestead Property Tax Credit from MI-1040CR or MI-1040CR-2 ..... 14. 00
15. Total Property Tax Credits. Add lines 13 and 14 ..... 15. 00

IF LINE 15 IS LESS THAN LINE 7, CARRY THE AMOUNT FROM LINE 13 TO YOUR MI-1040, LINE 25 AND STOP HERE.

16. If line 15 is greater than line 7, enter the amount from line 7 ..... 16. 00
17. Enter the amount from line 14 ..... 17. 00
18. Subtract line 17 from line 16. Enter here and on Form MI-1040, line 25 ..... 18. 00

PART 2: SIGNED DISTRIBUTION STATEMENT FOR JOINT OWNERS

Complete only if you are a joint owner with someone other than your spouse. Part 2 **must** be signed by all joint owners.

A Agreement Number: County Code (2 digits)	Contract Number	Expiration Date (Enter as MM-DD-YY)	B Partner's or Joint Owner's Social Security Number	C Partner's or Joint Owner's Percentage of Income	D Partner's or Joint Owner's Percentage of Ownership	E Signatures are required of all partners or joint owners other than your spouse.
				%	%	
				%	%	
				%	%	
				%	%	
				%	%	
				%	%	

✚ 0000 2010 17 01 27 4

2010 MICHIGAN Home Heating Credit Claim MI-1040CR-7

Issued under authority of Public Act 281 of 1967. Type or print in blue or black ink.

Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attachment 08

PLACE LABEL HERE

1. Filer's First Name	M.I.	Last Name	2. Filer's Social Security Number (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Social Security Number (Example: 123-45-6789) — —
Home Address (No., Street, P.O. Box or Rural Route)			
City or Town	State	ZIP Code	4. County Code (p. 15)

	Yes	No
5. Are your heating costs currently included in your rent or in someone else's name (see instructions)?	☐	☐
6. Do you want your name and address referred to other government assistance programs for which you may qualify?	☐	☐
7. Do you or your spouse now receive Supplemental Security Income (SSI)?	☐	☐

8. ENTER YOUR AGE if you are age 60 or older... You ____ Spouse ____

9. How much were you billed for heat between 11/1/2009 - 10/31/2010? ____ 00

10. If you lived in one of these **CARE** facilities (not a senior apartment complex) for all of 2010, check the box and STOP here, see instructions.

a. ☐ Nursing Home b. ☐ Adult Foster Care Home

c. ☐ Licensed Home for the Aged d. ☐ Substance Abuse Center

11. **Exemptions.** Enter the number that applies to you, your spouse, or your dependents and complete line 12 below.

Personal Exemption (You and your spouse only)	a.	
Age 65 or older	b.	
Deaf, Disabled or Blind, Qualified Disabled Veteran	c.	
Unemployment compensation greater than 50% of AGI	d.	
Number of children living with you: ● Ages 2 and under	e.	
● Ages 3-5	f.	
● Ages 6-18	g.	
Dependent adults, other than your spouse, who live with you	h.	
Add lines 11a through 11h	i.	

12. Enter below the name, Social Security number, relationship and age of the dependents you claimed in line 11, e - h above.

Dependent's Name	Dependent's Relationship to You	Social Security Number	Age in Years
a.			
b.			
c.			
d.			

13.	Wages, salaries, tips, sick, strike and SUB pay, etc	13.	00
14.	All interest and dividend income (including nontaxable interest)	14.	00
15.	Net business, royalty or rent income (including self-employment)	15.	00
16.	Annuity, retirement pension and IRA benefits. Name of Payer: _____	16.	00
17.	Net farm income	17.	00
18.	Capital gains less capital losses	18.	00
19.	Alimony and other taxable income (see instructions). Describe: _____	19.	00
20.	Social Security, Supplemental Security Income (SSI) and/or railroad retirement benefits	20.	00
21.	Child support and foster parent payments	21.	00
22.	Unemployment compensation	22.	00
23.	Other nontaxable income (see instructions). Describe: _____	23.	00
24.	Workers' compensation, veterans' disability compensation and pension benefits	24.	00
25.	FIP and other DHS benefits (do not include Food Assistance Program benefits)	25.	00
26.	**Subtotal.** Add lines 13 through 25. Enter here and carry amount to line 27 **SUBTOTAL**	26.	00

✚ 0000 2010 37 01 27 2

Continue on page 2. This form cannot be processed if page 2 is not completed and attached.

Filer's Social Security Number

— —

27. Enter amount from line 26 ..... 27. 00

28. Other adjustments (see instructions).
Describe: _____ 28. 00

29. Medical insurance or HMO premiums you paid for you and your family 29. 00

30. Add lines 28 and 29 ..... 30. 00

31. **HOUSEHOLD INCOME.** Subtract line 30 from line 27 ..... ▸ 31. 00

Standard and Alternate Home Heating Credit Computations

32. **STANDARD CREDIT.** Standard allowance from Table A, p.15 ..... 32. 00

33. Multiply line 31 (Household Income) by 3.5% (0.035) (if negative, enter "0") 33. 00

34. Subtract line 33 from line 32 for standard credit amount.
If line 33 is greater than line 32, enter "0" 34. 00

35. If you answered "Yes" to line 5, multiply the amount on line 34 by 50% (0.50). Enter here and on line 40. (If approved, the final amount as shown on line 41 is issued as a check.) 35. 00

36. **ALTERNATE CREDIT.** Total heating costs from line 9 or $2,506 (whichever is less) 36. 00

37. Multiply line 31 (Household Income) by 11% (0.11) (if negative, enter "0") .. 37. 00

38. Subtract line 37 from line 36. If line 37 is greater than line 36, enter "0" 38. 00

39. Multiply line 38 by 70% (0.70) for alternate credit amount 39. 00

40. If you completed line 35, enter that amount here.
Otherwise, enter the larger of lines 34 or 39 here 40. 00

41. **HOME HEATING CREDIT.** Multiply line 40 by 52% (0.52) ..... ▸ 41. 00

42. RESIDENCY in 2010:

a. ☐ Resident

b. ☐ Nonresident

c. ☐ Part-Year Resident*

*If you checked box "c,", enter dates of **Michigan** residency in 2010.
Enter dates as MM-DD-YYYY (Example: 04-15-2010)

	FILER	SPOUSE
FROM:	— — 2010	— — 2010
TO:	— — 2010	— — 2010

IMPORTANT

43. ▸ ☐ **You must check this box to receive a refund from your heat provider for any overpayment to your heat account, if eligible. See instructions, p. 8.**

Before you sign, please review your claim. Make sure your name, Social Security number and current mailing address are on the form and that you have answered all the questions that pertain to you.

Deceased Taxpayers. If Filer and/or Spouse died after 12-31-2009, enter dates below. ***ENTER DATE OF DEATH ONLY.*** *Example: 04-15-2011 (MM-DD-YYYY).*

▸ Filer — — ▸ Spouse — —

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

Filer's Signature	Date
Spouse's Signature	Date

▸ I authorize Treasury to discuss my return with my preparer. ☐ Yes ☐ No

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

▸ Preparer's PTIN, FEIN or SSN

▸ Preparer's Business Name (print or type)

Preparer's Business Address (print or type)

File (postmark) your claim by September 30, 2011. Mail your claim to: Michigan Department of Treasury Lansing, MI 48956

✚ 0000 2010 37 02 27 0

Schedule CT

2010 MICHIGAN College Tuition and Fees Credit

Issued under authority of Public Act 281 of 1967.

Print numbers like this : 0123456789 - NOT like this: Ø 1 4 7

Attach to Form MI-1040. Type or print in blue or black ink.

Attachment 07

1. Filer's First Name	M.I.	Last Name	2. Filer's Social Security Number (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) — —

Limitations: To be eligible to claim the credit, you must be a permanent Michigan resident, your adjusted gross income must be $200,000 or less and the student(s) must have attended a school listed on the back of this form.

3. Adjusted gross income (AGI) from your MI-1040, line 10 ..... ▸3. [ ] 00

4. Credit Amount. Complete all columns and round all amounts to the nearest dollar.

A Student Name	B Student Social Security Number	C Name of **Qualifying** Michigan College or University Attended	D College or University Code Number (see p. 2)	E Amount of Undergraduate Tuition and Fees Paid	F Multiply each amount in Col. E by 8% and enter here. Cannot exceed $375 per student.
a.	— —				
b.	— —				
c.	— —				
d.	— —				

4e. **Total Credit Amount.** Enter total of column F here and carry this amount to your Schedule 2, line 7 (cannot exceed $375 per student) ..... ▸4e. [ ] 00

5. Is someone else contributing to undergraduate tuition and fees for the student(s) listed above? If "Yes," enter the requested information on line 6 ..... ▸5. ☐ Yes ☐ No

6. Enter the information below if someone else is contributing to undergraduate tuition and fees for the student(s) listed on line 4. Continue using the same "a" through "d" references.

A Student Identification From Line 4 Above	B Name and Address of Contributor
a.	
b.	
c.	
d.	

Instructions for Schedule CT
Michigan College Tuition and Fees Credit

General Information

A nonrefundable Michigan income tax credit for college tuition and uniformly-required fees paid on behalf of a student is available for 2010. Uniformly-required fees are those fees which are paid by all students attending the named college or university.

To claim this credit, you must be a permanent resident of Michigan at the time the tuition and fees were paid, have adjusted gross income of $200,000 or less, and file a *Michigan Individual Income Tax Return* (Form MI-1040).

The student(s) must attend a Michigan institution of higher education which certifies that tuition will not increase in the following academic year by more than the preceding year's rate of inflation. See the list below. If the school is not listed, you may not claim the credit.

The amount of the credit is limited to 8 percent of tuition and fees paid per student. The credit cannot exceed $375 for each student in each tax year and can only be taken for four years per student.

Students attending an institution providing programs solely for sectarian instruction or religious worship are not eligible for the credit.

When computing the credit remember

- The student must be working on an undergraduate degree or certificate.
- Use the amount of tuition and fees actually paid by the claimant during the tax year. Tuition and fees paid with student loan funds are eligible for the credit. Do not include the amount covered by MET contracts, scholarships, grants, etc.
- The cost of books, room and board, transportation, etc., are not considered tuition and fees paid and therefore cannot be used in the computation.
- The credit cannot exceed $375 per student, even if two or more individuals have contributed to one student's education.
- Amounts paid into (or under) a MET contract do not qualify as tuition paid.

Treasury may request proof of tuition and fees paid. Failure to attach your *Schedule CT* to your MI-1040 can delay processing of your return.

If the college or university is not listed, you cannot claim the credit.

2010 MICHIGAN COLLEGE AND UNIVERSITY CODE LIST

Approved colleges and universities are listed alphabetically with code numbers to the left of the name.
Enter the appropriate Michigan College or University Code Number on your Schedule CT, column D, line 4.
(Do not enter the school business account number.)

0505	Bay Mills Community College
0005	Eastern Michigan University
0588	North Central Michigan College

Michigan Department of Treasury
4764 (Rev. 09-10)

2010 MICHIGAN Energy Efficient Qualified Home Improvement Credit

Issued under authority of Public Act 281 of 1967.

Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7
Attach to Form MI-1040. Type or print in blue or black ink. Enter amounts in whole dollars only.

Attachment 19

Filer's First Name	M.I.	Last Name	▸ Filer's Social Security Number (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) — —

1. Adjusted gross income (AGI) from your MI-1040, line 10 ..... 1. ____ 00
   AGI must be less than $37,501 (single or married, filing separately), or less than $75,001 (married, filing jointly) to be eligible.

		A. EXPENSE			B. CREDIT	
2. Insulation	▸ 2a.		00	2b.		00
3. Furnace	▸ 3a.		00	3b.		00
4. Water Heater	▸ 4a.		00	4b.		00
5. Windows	▸ 5a.		00	5b.		00
6. Refrigerator, clothes washer, and/or dishwasher	▸ 6a.		00	6b.		00

7. Credit. Add lines 2 through 6, column B. Enter here and carry to your MI-1040, line 29 ..... ▸ 7. ____ 00

Eligibility Requirements

Taxpayers must meet all of the following requirements to be eligible for this credit:

- Adjusted gross income (AGI) is less than $37,501 (single or married, filing separately), or less than $75,001 (married, filing jointly).
- Home improvements were Energy Star rated.
- Home improvements were purchased by the taxpayer and installed in calendar year 2010.
- Home improvements were made to a taxpayer's principal residence. The credit is not available to renters, residents of a mobile home park, or for improvements made to a second home.
- Only specific items listed on lines 2 through 6 qualify for this credit.

Line-by-Line Instructions

Lines 2 through 6: Energy Star rated improvements:

- Column A: Enter the purchase amount of eligible home improvement(s), including installation expenses.
- Column B: For each line in column B, enter the LESSER of
  - (a) 10 percent (0.10) of column A, OR
  - (b) $75 (single or married, filing separately), or $150 (married, filing jointly).

Treasury may request invoices or receipts to verify purchases and/or Energy Star certification.

+ 0000 2010 84 01 27 3

Help With Your Taxes

Self Service Options

The Michigan Department of Treasury offers a variety of services designed to assist you, and most are available 24 hours a day, seven days a week.

IMPORTANT: To obtain information about your account using the Internet and Telephone Options listed below, you will need the following information from your return:

- Social Security number of the primary filer (the filer listed first on the return)
- Tax year of the return
- Adjusted gross income (AGI) or household income
- Filing status (single, married filing jointly, married filing separately).

Internet Options

www.michigan.gov/incometax

Find the following information on this Web site:

- Current year forms and instructions
- Answers to many tax preparation questions
- Most commonly used tax forms
- Free assistance in preparing your return
- Other tax time resources.

www.michigan.gov/iit

This secure Web site was designed specifically to protect your personal tax information. Use this Web site to:

- Check the status of your return
- Check estimated payments you made during the year
- Check the status of letters you have sent to Treasury
- Change your address
- Ask a specific question about your account.

Telephone Options

1-800-827-4000

Automated Information Service

With Treasury's automated phone system, you can:

- Request the status of your refund
- Request information on estimated payments
- Order current tax year forms.

Tele-Help: For prerecorded information about income tax and tax credit topics, dial 1-800-827-4000 and press option "1." See a list of topics below.

While most questions can be answered by the Automated Information Service, you may speak with a customer service representative from 8:00 a.m. to 4:45 p.m., Monday through Friday, by calling 1-800-827-4000.

Telephone help is available using teletypewriter (TTY) equipment by calling (517) 636-4999. Printed material in an alternate format may be obtained by calling 1-800-827-4000 and pressing options 1, 4, and 223.

Forms

Find tax forms using the Internet and Telephone Options listed on this page. Commonly used forms are also available at Treasury offices (see back cover) and most public libraries, Northern Michigan post offices, Michigan Secretary of State branch offices, and Department of Human Services (DHS) county offices.

Tele-Help Code Numbers and Topics
Tax Information at Your Fingertips! Call 1-800-827-4000

General Tax Information

112 Address changes
151 Deceased taxpayers
192 Direct Deposit; routing transit number
171 Electronic filing
181 Home electronic filing
421 Internal Revenue Service, contact information
101 Penalty and interest calculation
411 Principal Residence Exemption Affidavit (formerly Homestead Exemption)
131 Refund offsets
161 Repayments of income reported in a prior year (Claim of Right)
121 Requesting a copy of your return
125 Requirements for dependents, minors and students
127 Residency
191 Tax due, penalty and interest
111 Where to go for help
141 Who must file an income tax return; how to file

MI-1040

231 Additions and subtractions from income
211 Amended returns - MI-1040X
241 Capital gains and losses
242 Charitable distribution subtraction
204 Children of Veterans Tuition Grant Program
234 Children's Trust Fund
292 College Tuition and Fees Credit
261 Community Foundations Credit
205 Contributions to IRAs
271 Deferred compensation
272 Disabled Taxpayers
203 Distributions from IRAs
221 Estimated tax payments
267 Extensions, general
193 Extensions, military serving in combat zone
281 Homeless Shelter/Food Bank Credit
273 Michigan 1099-G
232 Michigan Education Savings Program
243 Military Family Relief Fund
233 Military income
212 Prior year returns
251 Public Contributions Credit
108 Qualified Disabled Veteran
293 Renaissance Zones
294 Resident/nonresident income
295 Roth IRA
202 Schedule W, Withholding Tax
296 Stillbirth Credit
262 Tax Deferred Retirement Plan
268 Tax status of U.S. obligations
201 Use tax
110 Voluntary Contributions

Credit Information

105 Earned Income Tax Credit
301 Farmland Preservation Credit
351 Household income/adjusted gross income, difference
331 Home Heating Credit
311 Homestead Property Tax Credit
341 Long-term care
321 Special situations for property tax credits
210 Vehicle Donation Credit
229 Venture Capital Deduction