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## PRORATE HOMESTEAD EXEMPTION

House Bill 4316

Sponsor: Rep. Eileen DeHart

Committee: Tax Policy

Complete to 1-20-00

### A SUMMARY OF HOUSE BILL 4316 AS INTRODUCED 2-23-99

The bill would amend the General Property Tax Act to delete the May 1 deadline for filing a homestead exemption affidavit and instead require that the assessor exempt homestead property from local school operating taxes "on a prorated basis for the year in which the affidavit is filed based on the portion of that year from the date the affidavit is filed through December 31 of that year."

Under the state's new school financing system, homestead property is exempt from local school operating taxes. An owner of a homestead -- an owner-occupied principal residence -- can claim the exemption by filing an affidavit with the local tax collecting unit on or before May 1. Upon receipt of the affidavit, the assessor exempts the property from local school operating taxes until December 31 of the year in which the property is transferred or no longer meets the definition of a homestead. (A homeowner can also go to the July or December board of review in the year for which the exemption is sought or in the year after for an exemption on property that was occupied as a homestead as of May 1.) Property occupied after May 1 is not eligible for an exemption until the next year.

MCL 211.7cc

Analyst: C. Couch

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