

CIRCUIT BREAKER INCREASE

House Bill 4336

Sponsor: Rep. Judson Gilbert III

Committee: Tax Policy

Complete to 8-16-01

A SUMMARY OF HOUSE BILL 4336 AS INTRODUCED 2-22-01

The homestead property tax credit or circuit breaker provides taxpayers with an income tax credit for the amount of property taxes paid on a homestead that exceed a certain percentage of household income. Generally, the credit is equal to 60 percent of the amount by which property taxes paid exceed 3.5 percent of household income. House Bill 4336 would amend the Income Tax Act to increase the credit by making it equal to 60 percent of the amount property taxes exceed 3.4 percent of household income for 2001; 3.3 percent for 2002; 3.2 percent for 2003; 3.1 percent for 2004; and 3 percent for 2005 and thereafter. Renters can claim the credit by substituting 20 percent of rent for property taxes. The bill addresses the provisions in the act dealing with the standard property tax credit and does not address the credit as it applies to senior citizens, disabled persons, and other special categories of taxpayers.

MCL 206.522

House Bill 4336 (8-16-01)

Analyst: C. Couch

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