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**SFA****BILL ANALYSIS**

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Senate Bill 453 (as introduced 5-3-01)  
Sponsor: Senator Thaddeus G. McCotter  
Committee: Finance

Date Completed: 5-17-01

### **CONTENT**

The bill would amend the General Property Tax Act to provide that the real and personal property owned by a disabled veteran would be exempt from property taxes. A disabled veteran would be an honorably discharged veteran of the U.S. armed forces who was totally and permanently disabled as a result of a military service connected illness or injury.

A disabled veteran could claim an exemption by filing a form, prescribed by the Department of Treasury, with the appropriate assessing officer in any local tax collecting unit in which he or she owned property.

Proposed MCL 211.7gg

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill would reduce School Aid Fund revenues by approximately \$250,000 and increase School Aid Fund expenditures by a negligible amount. The bill also would increase General Fund/General Purpose revenues by approximately \$265,000. School Aid Fund revenues would be reduced because affected taxpayers would be exempt from paying the State Education Property Tax. School Aid Fund expenditures would increase by the amount of taxes on any personal or real property affected taxpayers might own that is not homestead property. Non-homestead property is estimated to comprise a minimal amount of the real and personal property subject to tax and owned by eligible disabled veterans. General Fund revenues would be increased because affected taxpayers would no longer be able to claim a homestead property tax credit and thus income tax refunds would be reduced.

The bill would reduce property tax revenues received by local units by approximately \$1.2 million. The reduction would affect both school districts and other local units that may authorize a property tax levy.

Fiscal Analyst: D. Zin

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