

# HOUSE BILL No. 4336

February 22, 2001, Introduced by Reps. Gilbert, Julian, Hager, Shackleton, Gosselin, Woronchak, Van Woerkom, Ruth Johnson, Birkholz and Neumann and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 522 (MCL 206.522), as amended by 2000 PA 41.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

3       (a) A claimant is entitled to a credit against the state  
4 income tax liability equal to 60% of the amount by which the  
5 property taxes on the homestead, or the credit for rental of the  
6 homestead for the tax year, exceeds ~~3.5%~~ THE FOLLOWING  
7 PERCENTAGES of the claimant's household income for ~~that tax~~  
8 ~~year.~~ THE FOLLOWING TAX YEARS:

9       (i) FOR TAX YEARS THAT BEGIN BEFORE JANUARY 1, 2001, 3.5%.

10       (ii) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2000 AND  
11 BEFORE JANUARY 1, 2002, 3.4%.

1 (iii) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2001 AND  
2 BEFORE JANUARY 1, 2003, 3.3%.

3 (iv) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2002 AND  
4 BEFORE JANUARY 1, 2004, 3.2%.

5 (v) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2003 AND  
6 BEFORE JANUARY 1, 2005, 3.1%.

7 (vi) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2004, 3.0%.

8 (b) A claimant who is a senior citizen or a paraplegic,  
9 hemiplegic, or quadriplegic and for tax years that begin after  
10 December 31, 1999, a claimant who is totally and permanently dis-  
11 abled or deaf is entitled to a credit against the state income  
12 tax liability for the amount by which the property taxes on the  
13 homestead, the credit for rental of the homestead, or a service  
14 charge in lieu of ad valorem taxes as provided by section 15a of  
15 the state housing development authority act of 1966, 1966 PA 346,  
16 MCL 125.1415a, for the tax year exceeds the percentage of the  
17 claimant's household income for that tax year computed as  
18 follows:

19

20	Household income	Percentage
21	Not over \$3,000.00	.0%
22	Over \$3,000.00 but not over \$4,000.00	1.0%
23	Over \$4,000.00 but not over \$5,000.00	2.0%
24	Over \$5,000.00 but not over \$6,000.00	3.0%
25	Over \$6,000.00	3.5%

1 (c) For a tax year that begins before January 1, 2000, a  
2 claimant who is totally and permanently disabled is entitled to a  
3 credit against the state income tax liability equal to 60% of the  
4 amount by which the property taxes on the homestead, or the  
5 credit for rental of the homestead or for a service charge in  
6 lieu of ad valorem taxes as provided in section 15a of the state  
7 housing development authority act of 1966, 1966 PA 346,  
8 MCL 125.1415a, for the tax year, exceeds the percentage of the  
9 claimant's household income for that tax year based on the sched-  
10 ule in subdivision (b).

11 (d) A claimant who is an eligible serviceperson, eligible  
12 veteran, or eligible widow or widower is entitled to a credit  
13 against the state income tax liability for a percentage of the  
14 property taxes on the homestead for the tax year not in excess of  
15 100% determined as follows:

16 (i) Divide the taxable value allowance specified in section  
17 506 by the taxable value of the homestead or, if the eligible  
18 serviceperson, eligible veteran, or eligible widow or widower  
19 leases or rents a homestead, divide 17% of the total annual rent  
20 paid for tax years before the 1994 tax year, or 20% of the total  
21 annual rent paid for tax years after the 1993 tax year on the  
22 property by the property tax rate on the property.

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

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

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

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

6 (2) A person who is qualified to make a claim under more  
7 than 1 classification shall elect the classification under which  
8 the claim is made.

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

12 (4) As used in this section, "totally and permanently  
13 disabled" means disability as defined in section 216 of title II  
14 of the social security act, 42 U.S.C. 416.

15 (5) A senior citizen who has a total household income for  
16 the tax year of \$6,000.00 or less and who for 1973 received a  
17 senior citizen homestead exemption under former section 7c of the  
18 general property tax act, ~~Act No. 206 of the Public Acts of~~  
19 ~~1893~~ 1893 PA 206, may compute the credit against the state  
20 income tax liability for a percentage of the property taxes on  
21 the homestead for the tax year determined as follows:

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

24 (b) If the taxable value of the homestead is more than  
25 \$2,500.00, the percentage that \$2,500.00 bears to the taxable  
26 value of the homestead.

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

3       (7) The commissioner may prescribe tables that may be used  
4 to determine the amount of the claim.

5       (8) The total credit allowed in this section for each year  
6 after December 31, 1975 shall not exceed \$1,200.00 per year.

7       (9) The total credit allowable under this act and part 361  
8 of the natural resources and environmental protection act, 1994  
9 PA 451, MCL 324.36101 to 324.36117, shall not exceed the total  
10 property tax due and payable by the claimant in that year. The  
11 amount by which the credit exceeds the property tax due and pay-  
12 able shall be deducted from the credit claimed under part 361 of  
13 the natural resources and environmental protection act, 1994  
14 PA 451, MCL 324.36101 to 324.36117.