

Legislative Analysis



PROPERTY TAX EXEMPTION FOR SPOUSES OF MICHIGAN VETERANS WHO DIE IN WAR

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4238 as introduced
Sponsor: Rep. Lana Theis
Committee: Military and Veterans Affairs

Analysis available at
<http://www.legislature.mi.gov>

Complete to 3-5-15

SUMMARY:

House Bill 4238 would amend Section 7b of the General Property Tax Act to add a new exemption from real property taxes for the surviving spouse of a Michigan veteran who was a legal resident of the state of Michigan immediately before he or she "died from service-connected causes while serving in the armed forces of the United States in a war or war condition in which the United States was a participant." This exemption would extend as long as the surviving spouse remains unmarried.

This exemption is for property taxes assessed on a home used and owned by the surviving spouse as a homestead. Each local taxing unit would bear the loss of its portion of the exempted taxes.

To claim this exemption, the property owner or a legal designee must annually file an affidavit with the local assessing officer, attesting to the above requirements and providing a description of the real property. The affidavit must be filed before the final adjournment of the local board of review, and is subject to inspection.

MCL 211.7b

FISCAL IMPACT:

As written, House Bill 4238 would reduce local and state property tax revenue by an unknown amount. The data required to estimate the magnitude of the reduction would require information (such as the number of surviving spouses who have not remarried, the number who remain in Michigan, and the taxable value and millage rates assessed against their property) that is not available at this time. While the bulk of the reduction will fall on local tax collecting units, the state will see reduced state education tax (SET) collections, as these properties will no longer be assessed the six mill rate.

Legislative/ Fiscal Analyst: Adam Desrosiers

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