

**INCOME TAX ACT OF 1967 (EXCERPT)**  
**Act 281 of 1967**  
Chapter 9

**206.501 Applicability of definitions.**

Sec. 501.

The definitions contained in sections 504 to 516 shall control only in the interpretation of this chapter, unless the context clearly requires otherwise.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973

**206.504 "Blind" and "claimant" defined.**

Sec. 504.

(1) "Blind" means a person with a permanent impairment of both eyes of the following status: central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance of not greater than 20 degrees in the better eye.

(2) "Claimant" means an individual natural person who filed a claim under this chapter and who was domiciled in this state during at least 6 months of the calendar year immediately preceding the year in which the claim is filed under this chapter and includes a husband and wife if they are required to file a joint state income tax return. The 6-month residency requirement does not apply to a claimant who files for the home heating credit under section 527a.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1978, Act 458, Imd. Eff. Oct. 16, 1978 ;-- Am. 1979, Act 126, Imd. Eff. Oct. 23, 1979 ;-- Am. 1993, Act 328, Eff. Apr. 1, 1994

**206.506 "Eligible serviceperson," "eligible veteran," and "eligible widow or widower" defined.**

Sec. 506.

"Eligible serviceperson", "eligible veteran", and "eligible widow or widower" means a serviceperson, veteran, or widow or widower, whose income as defined in this chapter is not more than \$7,500.00 per year unless the serviceperson, veteran, or widow or widower receives compensation paid by the veterans administration or the armed forces of the United States for service incurred disabilities and who meets the requirements of the following schedule:

War	Person	Service in War	Disability %	Taxable Value Allowance
Indian	Veteran or	3 months, or	No	\$3,500.00
Civil Spanish-American Mexican	veteran's widow or widower	1 day with discharge for service-connected disability	requirement	
World War I World War II Korean	Widow or widower of nondisabled or nonpensioned veteran	3 months, or 1 day with discharge for service-connected disability	No requirement	\$2,500.00
All wars or presidential executive order or presidential proclamation	Pensioned veteran or veteran's widow or widower	Any	No requirement	\$3,500.00

All wars or presidential executive order or presidential proclamation	Veteran with service-connected disability or veteran's widow or Any widower	10-50	\$3,500.00
All wars or presidential executive order or presidential proclamation	Veteran with service-connected disability or veteran's widow or Any widower	60-70-80	\$4,000.00
All wars or presidential executive order or presidential proclamation	Veteran with service-connected disability or veteran's widow or Any widower	90-100	\$4,500.00
All wars or presidential executive order or presidential proclamation	Widow or widower of veteran Any dying in service	No requirement	\$4,500.00
Current service	Serviceperson or serviceperson's widow or Any widower	No requirement	\$3,500.00

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987 ;-- Am. 1996, Act 484, Eff. Jan. 1, 1996

**Compiler's Notes:** Subsection (1) of Section 3 of Act 484 provides: "Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996."

## **206.507 "Federally aided housing" and "state aided housing" defined.**

Sec. 507.

(1) "Federally aided housing" means housing developed under a program administered by the secretary of the United States department of housing and urban development providing below market interest rate mortgages, interest reduction payments, rent supplements, annual contributions of housing assistance payments, or housing allowances or housing receiving special benefits under federal law designated specifically to develop low and moderate income housing.

(2) "State aided housing" is housing financed by a loan secured by a mortgage or security interest made by the Michigan state housing development authority for the construction, rehabilitation, or long-term financing of housing for low or moderate income persons.

**History:** Add. 1975, Act 233, Imd. Eff. Aug. 27, 1975

## **206.508 Definitions.**

Sec. 508.

(1) "Gross rent" means the total rent contracted to be paid by the renter or lessee of a homestead pursuant to dealing at arms' length with the landlord of the homestead. When the landlord and tenant have not dealt with each other at arms' length and the department believes that the gross rent charged is excessive, the department may adjust the gross rent to a reasonable amount for the purposes of this chapter.

(2) "Homestead" means a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes, or a service charge in lieu of taxes as provided by section 15a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1415a, owned and occupied as a home by the owner of the dwelling or unit, or occupied as the dwelling of the renter or lessee, including all unoccupied real property not classified for ad valorem tax purposes as commercial, industrial, residential, or timber-cut over, owned by the owner of the homestead. Beginning in the 1990 tax year, a homestead does not include unoccupied real property that is leased or rented by the owner to another person and that is not adjacent and contiguous to the home of the owner. Additionally, the following apply:

(a) If a homestead is an integral part of a larger unit of assessment such as commercial, industrial, residential, timber-cut over, or a multipurpose or multidwelling building, the tax on the homestead shall be the same proportion of the total property tax as the proportion of the value of the homestead is to the total value of the assessed property.

(b) If the gross receipts of the agricultural or horticultural operations do not exceed the household income, or if there are no gross receipts, the following apply:

(i) If the claimant has lived on the land 10 years or more, all of the adjacent and contiguous agricultural or horticultural lands shall be considered a homestead and the credit is allowed for all the land.

(ii) If the claimant has lived on the land less than 10 years, not more than 5 acres of adjacent and contiguous agricultural or horticultural land shall be considered a part of the homestead and the credit is allowed for that part of the land.

(c) A mobile home or trailer coach in a trailer coach park is a homestead and the site rent for space is considered the rent of a homestead. The specific tax levied by section 41 of 1959 PA 243, MCL 125.1041, is considered a property tax.

(3) "Household" means a claimant and spouse.

(4) "Total household resources" means all income received by all persons of a household in a tax year while members of a household, excluding for tax years beginning after December 31, 2018 any compensation received pursuant to the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757, and increased by the following deductions from federal gross income:

(a) Any net business loss after netting all business income and loss.

(b) Any net rental or royalty loss.

(c) Any carryback or carryforward of a net operating loss as defined in section 172(b)(2) of the internal revenue code.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1975, Act 233, Imd. Eff. Aug. 27, 1975 ;-- Am. 1990, Act 283, Imd. Eff. Dec. 14, 1990 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012 ;-- Am. 2011, Act 177, Eff. Jan. 1, 2012 ;-- Am. 2018, Act 588, Imd. Eff. Dec. 28, 2018

## **206.510 "Income" and "owner" defined.**

### **Sec. 510.**

(1) "Income" means the sum of federal adjusted gross income as defined in the internal revenue code plus all income specifically excluded or exempt from the computations of the federal adjusted gross income. Also, a person who is enrolled in an accident or health insurance plan may deduct from income the amount that person paid in premiums in the tax year for that insurance plan for the person's family. Income does not include any of the following:

(a) The first \$300.00 of gifts in cash or kind from nongovernmental sources.

(b) The first \$300.00 received from awards, prizes, lottery, bingo, or other gambling winnings.

(c) Surplus foods.

(d) Relief in kind supplied by a governmental agency.

(e) Payments or credits under this part.

(f) A governmental grant that has to be used by the claimant for rehabilitation of the claimant's homestead.

(g) Stipends received by a person 60 years of age or older who is acting as a foster grandparent under the foster grandparent program authorized pursuant to section 211 of part B of title II of the domestic volunteer service act of 1973, Public Law 93-113, 42 USC 5011, or who is acting as a senior companion pursuant to section 213 of part C of title II of the domestic volunteer service act of 1973, Public Law 93-113, 42 USC 5013.

(h) Amounts deducted from monthly social security or railroad retirement benefits for medicare premiums.

(i) Contributions by an employer to life, accident, or health insurance plans.

(j) Energy assistance grants and energy assistance tax credits.

(2) "Owner" means a natural person who owns or is purchasing a homestead under a mortgage or land contract, who owns or is purchasing a dwelling situated on the leased lands of another, or who is a tenant-stockholder of a cooperative housing corporation.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1977, Act 1, Imd. Eff. Feb 23, 1977 ;-- Am. 1978, Act 43, Imd. Eff. Mar. 7, 1978 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987 ;-- Am. 1988, Act 261, Imd. Eff. July 15, 1988 ;-- Am. 1995, Act 244, Imd. Eff. Dec. 27, 1995 ;-- Am. 1995, Act 245, Imd. Eff. Dec. 27, 1995 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012 ;-- Am. 2011, Act 172, Eff. Jan. 1, 2012

**Compiler's Notes:** Section 2 of Act 43 of 1978 provides: "This amendatory act shall take effect for all tax years beginning January 1, 1977, and thereafter." Section 2 of Act 261 of 1988 provides: "This amendatory act is effective for a tax year that begins after December

## **206.512 Definitions; P to R.**

### **Sec. 512.**

(1) "Paraplegic, hemiplegic, or quadriplegic" means an individual, or either 1 of 2 persons filing a joint tax return under this part, who is a paraplegic, hemiplegic, or quadriplegic at the end of the tax year.

(2) "Renter" means a person who rents or leases a homestead.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1974, Act 12, Imd. Eff. Feb. 15, 1974 ;-- Am. 1974, Act 125, Imd. Eff. May 25, 1974 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987 ;-- Am. 1995, Act 245, Imd. Eff. Dec. 27, 1995 ;-- Am. 1996, Act 484, Eff. Jan. 1, 1996 ;-- Am. 2003, Act 29, Imd. Eff. June 26, 2003 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012 ;-- Am. 2018, Act 38, Imd. Eff. Feb. 28, 2018  
**Compiler's Notes:** Act 253 of 1980, purporting to amend MCL 206.30, 206.512, 206.520, and 206.522 and to add a MCL 206.261 could not take effect until Senate Joint Resolution X became effective as part of the constitution. Senate Joint Resolution X was submitted to and disapproved by the people at the general election held on November 4, 1980. Subsection (1) of Section 3 of Act 484 provides: "Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996."

## **206.512a "Property taxes" defined.**

### **Sec. 512a.**

"Property taxes" means, for the 2003 tax year and tax years after the 2003 tax year, general ad valorem taxes due and payable, levied on a homestead within this state including property tax administration fees, but does not include penalties, interest, or special assessments unless the special assessment is levied using a uniform millage rate on all real property not exempt by state law from the levy of the special assessment and complies with 1 of the following:

(a) The special assessment is levied in the entire city, village, or township and is levied and based on state equalized valuation or taxable value.

(b) The special assessment is for police, fire, or advanced life support, is levied in the entire township excluding all or a portion of a village within the township, and is levied and based on state equalized valuation or taxable value.

**History:** Add. 2003, Act 28, Imd. Eff. June 26, 2003

## **206.514 "Senior citizen," "serviceperson," and "state income tax" defined.**

### **Sec. 514.**

(1) "Senior citizen" means an individual, or either 1 of 2 persons filing a joint tax return under this part, who is 65 years of age or older at the close of the tax year. The term also includes the unmarried surviving spouse of a person who was 65 years of age or older at the time of death.

(2) "Serviceperson" means a person who is currently serving in the armed forces of the United States or is separated from the armed forces for less than a year, and who was a resident of this state at least 6 months prior to the time of entering the armed forces or was a resident of this state at least 5 years prior to filing a claim under this chapter.

(3) "State income tax" or "state income tax act" means the tax levied by this part.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1974, Act 156, Imd. Eff. June 20, 1974 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012

**206.516 "Veteran" and "widow or widower" defined.**

Sec. 516.

(1) "Veteran" means an individual who meets all of the following:

(a) Is a veteran as defined in section 1 of 1965 PA 90, MCL 35.61.

(b) Was a resident of this state at least 6 months prior to the time of entering the armed forces of the United States or was a resident of this state for at least 5 years prior to filing a claim under this chapter.

(c) Served in the armed forces during a period of war as described in 38 CFR 3.2, except that for purposes of this subdivision, "period of war" for the Vietnam era means the following:

(i) February 28, 1961 through May 7, 1975 for a veteran who served during that period.

(ii) On or after January 31, 1955 in an area of hazardous duty for which the veteran received an armed forces expeditionary medal or Vietnam service medal.

(d) Was discharged from service in the armed forces of the United States under honorable conditions or died while in service not as a result of his or her own misconduct.

(2) "Widow or widower" means the unmarried surviving spouse of a veteran or serviceperson who receives a widow's or widower's pension from the United States Department of Veterans Affairs. Widow or widower includes the unremarried surviving spouse of the person who previously qualified as a claimant.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987 ;-- Am. 2016, Act 212, Eff. Sept. 20, 2016

**206.520 Credit for property taxes on homestead; credit for person renting or leasing homestead; credit in excess of tax liability due; assignment of claim to mortgagor by senior citizen for rent reduction; eligibility to claim credit on property rented or leased as credit for person receiving aid to families with dependent children, state family assistance, or state disability assistance payments; reduction of credit for claimant whose household income exceeds certain amount; adjustment; credit claimable by senior citizen; limitations; rules; form; determining qualification to claim credit after move to different rented or leased homestead; reduction of claim for return of less than 12 months; total credit allowed by section and MCL 206.522; "United States consumer price index" defined.**

Sec. 520.

(1) Subject to the limitations and the definitions in this chapter, a claimant may claim against the tax due under this part for the tax year a credit for the property taxes on the taxpayer's homestead deductible for federal income tax purposes pursuant to section 164 of the internal revenue code, or that would have been deductible if the claimant had not elected the zero bracket amount or if the claimant had been subject to the federal income tax. The property taxes used for the credit computation shall not be greater than the amount levied for 1 tax year. An owner is not eligible for a credit under this section if the taxable value of his or her homestead excluding the portion of a parcel of real property that is unoccupied and classified as agricultural for ad valorem tax purposes in the year for which the credit is claimed is greater than \$135,000.00 through the 2021 tax year. Beginning with the 2021 tax year and each tax year after 2021, the taxable value cap under this subsection for the immediately preceding tax year shall be adjusted by the percentage increase in the United States consumer price index for the immediately preceding calendar year and rounded to the nearest \$100.00 increment. The department shall annualize the amount in this subsection as necessary. As used in this subsection, "taxable value" means that value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(2) A person who rents or leases a homestead may claim a similar credit computed under this section and section 522 based upon 20% of the gross rent paid for tax years before the 2018 tax year or 23% of the gross rent paid for tax years after the 2017 tax year. A person who rents or leases a homestead subject to a service charge in lieu of ad valorem taxes as provided by section 15a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1415a, may claim a similar credit computed under this section and section 522 based upon 10% of the gross rent paid.

(3) If the credit claimed under this section and section 522 exceeds the tax liability for the tax year or if there is no tax liability for the tax year, the amount of the claim not used as an offset against the tax liability shall, after

examination and review, be approved for payment, without interest, to the claimant. In determining the amount of the payment under this subsection, withholdings and other credits shall be used first to offset any tax liabilities.

(4) If the homestead is an integral part of a multipurpose or multidwelling building that is federally aided housing or state aided housing, a claimant who is a senior citizen entitled to a payment under subsection (2) may assign the right to that payment to a mortgagor if the mortgagor reduces the rent charged and collected on the claimant's homestead in an amount equal to the tax credit payment provided in this chapter. The assignment of the claim is valid only if the Michigan state housing development authority, by affidavit, verifies that the claimant's rent has been so reduced.

(5) Only the renter or lessee shall claim a credit on property that is rented or leased as a homestead.

(6) A person who discriminates in the charging or collection of rent on a homestead by increasing the rent charged or collected because the renter or lessee claims and receives a credit or payment under this chapter is guilty of a misdemeanor. Discrimination against a renter who claims and receives the credit under this section and section 522 by a reduction of the rent on the homestead of a person who does not claim and receive the credit is a misdemeanor. If discriminatory rents are charged or collected, each charge or collection of the higher or lower payment is a separate offense. Each acceptance of a payment of rent is a separate offense.

(7) A person who received aid to families with dependent children, state family assistance, or state disability assistance pursuant to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, in the tax year for which the person is filing a return shall have a credit that is authorized and computed under this section and section 522 reduced by an amount equal to the product of the claimant's credit multiplied by the quotient of the sum of the claimant's aid to families with dependent children, state family assistance, and state disability assistance for the tax year divided by the claimant's total household resources. The reduction of credit shall not exceed the sum of the aid to families with dependent children, state family assistance, and state disability assistance for the tax year. For the purposes of this subsection, aid to families with dependent children does not include child support payments that offset or reduce payments made to the claimant.

(8) For tax years before the 2018 tax year, a credit under subsection (1) or (2) shall be reduced by 10% for each claimant whose total household resources exceed the minimum total household resources amount of \$41,000.00 and by an additional 10% for each increment of \$1,000.00 of total household resources in excess of \$41,000.00. Except as otherwise provided under this subsection, for the 2018 tax year and each tax year after 2018, the minimum total household resources amount is \$51,000.00. For the 2018 tax year and each tax year after 2018, a credit under subsection (1) or (2) shall be reduced by 10% for each claimant whose total household resources exceed the minimum total household resources amount established under this subsection and by an additional 10% for each increment of \$1,000.00 of total household resources in excess of the minimum total household resources amount for that tax year. For the 2021 tax year and each tax year after 2021, the minimum total household resources threshold amount established under this subsection for the immediately preceding tax year shall be adjusted by the percentage increase in the United States consumer price index for the immediately preceding calendar year and rounded to the nearest \$100.00 increment.

(9) If the credit authorized and calculated under this section and section 522 and adjusted under subsection (7) or (8) does not provide to a senior citizen who rents or leases a homestead that amount attributable to rent that constitutes more than 40% of the total household resources of the senior citizen, the senior citizen may claim a credit based upon the amount of total household resources attributable to rent as provided by this section.

(10) A senior citizen whose gross rent paid for the tax year is more than the percentage of total household resources specified in subsection (9) for the respective tax year may claim a credit for the amount of rent paid that constitutes more than the percentage of the total household resources of the senior citizen specified in subsection (9) and that was not provided to the senior citizen by the credit computed pursuant to this section and section 522 and adjusted pursuant to subsection (7) or (8).

(11) The department may promulgate rules to implement subsections (9) to (15) and may prescribe a table to allow the claimant to determine the credit provided under this section and section 522 in the instruction booklet that accompanies the respective income tax or property tax credit forms used by claimants.

(12) A senior citizen may claim the credit under subsections (9) to (15) on the same form as the property tax credit permitted by subsection (2). The department shall adjust the forms accordingly.

(13) A senior citizen who moves to a different rented or leased homestead shall determine, for 2 tax years after the move, both his or her qualification to claim a credit under subsections (9) to (15) and the amount of a credit under subsections (9) to (15) on the basis of the annualized final monthly rental payment at his or her previous homestead, if this annualized rental is less than the senior citizen's actual annual rental payments.

(14) For a return of less than 12 months, the claim for a credit under subsections (9) to (15) shall be reduced proportionately.

(15) For tax years before the 2018 tax year, the total credit allowed by this section and section 522 shall not exceed \$1,200.00 per year. Except as otherwise provided under this subsection, for the 2018 tax year and each tax year after 2018, the total credit allowed by this section and section 522 shall not exceed \$1,500.00 per year. Beginning with the 2021 tax year and each tax year after 2021, the maximum amount of the credit allowed under this section and section 522 for the immediately preceding tax year shall be adjusted by the percentage increase in



the United States consumer price index for the immediately preceding calendar year. The department shall round the amount to the nearest \$100.00 increment.

(16) As used in this section, "United States consumer price index" means the United States consumer price index for all urban consumers as defined and reported by the United States Department of Labor, Bureau of Labor Statistics.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1975, Act 233, Imd. Eff. Aug. 27, 1975 ;-- Am. 1979, Act 132, Eff. Mar. 27, 1980 ;-- Am. 1980, Act 352, Imd. Eff. Dec. 29, 1980 ;-- Am. 1982, Act 269, Imd. Eff. Oct. 5, 1982 ;-- Am. 1982, Act 515, Imd. Eff. Dec. 31, 1982 ;-- Am. 1984, Act 285, Imd. Eff. Dec. 20, 1984 ;-- Am. 1985, Act 187, Imd. Eff. Dec. 20, 1985 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987 ;-- Am. 1988, Act 516, Imd. Eff. Dec. 30, 1988 ;-- Am. 1990, Act 283, Imd. Eff. Dec. 14, 1990 ;-- Am. 1992, Act 293, Imd. Eff. Dec. 18, 1992 ;-- Am. 1993, Act 328, Eff. Apr. 1, 1994 ;-- Am. 1995, Act 245, Imd. Eff. Dec. 27, 1995 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012 ;-- Am. 2011, Act 273, Eff. Jan. 1, 2012 ;-- Am. 2015, Act 179, Eff. Mar. 18, 2016

**Constitutionality:** The provision in the Income Tax Act for an income-graduated reduction of local property tax credits does not conflict with the constitutional prohibition against a graduated income tax because the property tax credit is payable to the property taxpayer irrespective of state income tax liability. *Butcher v Department of Treasury*, 425 Mich 262; 389 NW2d 412 (1986).

**Compiler's Notes:** Act 253 of 1980, purporting to amend MCL 206.30, 206.512, 206.520, and 206.522 and to add a MCL 206.261 could not take effect until Senate Joint Resolution X became effective as part of the constitution. Senate Joint Resolution X was submitted to, and disapproved by, the people at the general election held on November 4, 1980. Section 2 of Act 515 of 1982 provides: "§1 Section 255 of this amendatory act shall be effective for the 1979 tax year and each tax year thereafter. (2) Section 301 of this amendatory act shall take effect for tax years beginning on or after January 1, 1983. (3) Section 520 of this amendatory act shall take effect for tax years beginning on or after January 1, 1981." Section 2 of Act 187 of 1985 provides: "§1 It is the intent of the legislature that this amendatory act shall not serve to affect a credit claimed under section 520 before the effective date of this amendatory act." Act 486 of 1988, purporting to amend MCL 206.520 and 206.522, could not take effect "unless Senate Joint Resolution K of the 84th Legislature becomes a part of the constitution as provided in section 1 of article XII of the state constitution of 1963." Senate Joint Resolution K was submitted to, and disapproved by, the people at the general election held on November 8, 1988. Act 166 of 1989, purporting to amend MCL 206.520 and 206.522 and to add a MCL 206.252, could not take effect "unless amendment 2 of House Joint Resolution I of the 85th Legislature becomes a part of the constitution as provided in section 1 of article XII of the state constitution of 1963." House Joint Resolution I was submitted to, and disapproved by, the people at the special election held on November 7, 1989.

**206.522 Determination of amount of claim; election of classification in which to make claims; single claimant per household entitled to credit; "totally and permanently disabled" defined; computation of credit by senior citizen; reduction of claim; tables; maximum credit; total credit allowable under part and part 361 of natural resources and environmental protection act.**

Sec. 522.

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

(a) A claimant who is not a senior citizen is entitled to a credit against the state income tax liability under this part equal to 60% of the amount by which the property taxes on the homestead, or the credit for rental of the homestead for the tax year, exceeds 3.5% of the claimant's total household resources for tax years before the 2018 tax year or 3.2% of the claimant's total household resources for the 2018 tax year and each tax year after 2018.

(b) A claimant who is a senior citizen is entitled to a credit against the state income tax liability under this part equal to the following:

(i) For a claimant with total household resources of \$21,000.00 or less, an amount as determined in accordance with subdivision (c).

(ii) For a claimant with total household resources of more than \$21,000.00 and less than or equal to \$22,000.00, an amount equal to 96% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(iii) For a claimant with total household resources of more than \$22,000.00 and less than or equal to \$23,000.00, an amount equal to 92% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(iv) For a claimant with total household resources of more than \$23,000.00 and less than or equal to \$24,000.00, an amount equal to 88% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(v) For a claimant with total household resources of more than \$24,000.00 and less than or equal to \$25,000.00, an amount equal to 84% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(vi) For a claimant with total household resources of more than \$25,000.00 and less than or equal to \$26,000.00, an amount equal to 80% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(vii) For a claimant with total household resources of more than \$26,000.00 and less than or equal to \$27,000.00, an amount equal to 76% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(viii) For a claimant with total household resources of more than \$27,000.00 and less than or equal to \$28,000.00, an amount equal to 72% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(ix) For a claimant with total household resources of more than \$28,000.00 and less than or equal to \$29,000.00, an amount equal to 68% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(x) For a claimant with total household resources of more than \$29,000.00 and less than or equal to \$30,000.00, an amount equal to 64% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(xi) For a claimant with total household resources of more than \$30,000.00, an amount equal to 60% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources for tax years before the 2018 tax year or 3.2% of total household resources for the 2018 tax year and each tax year after 2018.

(c) A claimant who is a senior citizen with total household resources of \$21,000.00 or less or a paraplegic, hemiplegic, or quadriplegic and for tax years that begin after December 31, 1999, a claimant who is totally and permanently disabled, deaf, or, for tax years that begin after December 31, 2012, blind is entitled to a credit against the state income tax liability for the amount by which the property taxes on the homestead, the credit for rental of the homestead, or a service charge in lieu of ad valorem taxes as provided by section 15a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1415a, for the tax year exceeds the percentage of the claimant's total household resources for that tax year computed as follows:

Total household resources	Percentage
Not over \$3,000.00	.0%
Over \$3,000.00 but not over \$4,000.00	1.0%
Over \$4,000.00 but not over \$5,000.00	2.0%
Over \$5,000.00 but not over \$6,000.00	3.0%
Over \$6,000.00 for tax years before the 2018 tax year	3.5%
Over \$6,000.00 for tax years after the 2017 tax year	3.2%

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

(i) Divide the taxable value allowance specified in section 506 by the taxable value of the homestead or, if the eligible serviceperson, eligible veteran, or eligible widow or widower leases or rents a homestead, divide 20% of the total annual rent paid for tax years before the 2018 tax year or 23% of the total annual rent paid for tax years after the 2017 tax year on the property by the property tax rate on the property.

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

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

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

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

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

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

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

(5) A senior citizen who has total household resources for the tax year of \$6,000.00 or less and who for 1973 received a senior citizen homestead exemption under former section 7c of the general property tax act, 1893 PA 206, may compute the credit against the state income tax liability for a percentage of the property taxes on the



homestead for the tax year determined as follows:

- (a) If the taxable value of the homestead is \$2,500.00 or less, 100% of the property taxes.
- (b) If the taxable value of the homestead is more than \$2,500.00, the percentage that \$2,500.00 bears to the taxable value of the homestead.
- (6) For a return of less than 12 months, the claim shall be reduced proportionately.
- (7) The department may prescribe tables that may be used to determine the amount of the claim.
- (8) The total credit allowed in this section for each year shall not exceed the amount determined under section 520.
- (9) The total credit allowable under this part and part 361 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36117, shall not exceed the total property tax due and payable by the claimant in that year. The amount by which the credit exceeds the property tax due and payable shall be deducted from the credit claimed under part 361 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36117.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1974, Act 12, Imd. Eff. Feb. 15, 1974 ;-- Am. 1975, Act 233, Imd. Eff. Aug. 27, 1975 ;-- Am. 1975, Act 320, Imd. Eff. Jan. 2, 1976 ;-- Am. 1978, Act 321, Imd. Eff. July 10, 1978 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987 ;-- Am. 1993, Act 328, Eff. Apr. 1, 1994 ;-- Am. 1996, Act 55, Imd. Eff. Feb. 26, 1996 ;-- Am. 1996, Act 484, Eff. Jan. 1, 1996 ;-- Am. 2000, Act 41, Imd. Eff. Mar. 27, 2000 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012 ;-- Am. 2011, Act 180, Eff. Jan. 1, 2012 ;-- Am. 2013, Act 206, Imd. Eff. Dec. 23, 2013 ;-- Am. 2015, Act 179, Eff. Mar. 18, 2016

**Compiler's Notes:** Act 253 of 1980, purporting to amend MCL 206.30, 206.512, 206.520, and 206.522 and to add a MCL 206.261 could not take effect until Senate Joint Resolution X became effective as part of the constitution. Senate Joint Resolution X was submitted to, and disapproved by, the people at the general election held on November 4, 1980. Act 486 of 1988, purporting to amend MCL 206.520 and 206.522, could not take effect unless Senate Joint Resolution K of the 84th Legislature becomes a part of the constitution as provided in section 1 of article XII of the state constitution of 1963. Senate Joint Resolution K was submitted to, and disapproved by, the people at the general election held on November 8, 1988. Act 166 of 1989, purporting to amend MCL 206.520 and 206.522 and to add a MCL 206.252, could not take effect unless amendment 2 of House Joint Resolution I of the 85th Legislature becomes a part of the constitution as provided in section 1 of article XII of the state constitution of 1963. House Joint Resolution I was submitted to, and disapproved by, the people at the special election held on November 7, 1989. Subsection (1) of Section 3 of Act 484 provides: "Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996."

**Compiler's Notes:** Enacting section 1 of Act 469 of 2014 provides: "Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963." House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 469 of 2014 does not go into effect.

## **206.523 Repealed. 1980, Act 169, Eff. Sept. 17, 1980.**

**Compiler's Notes:** The repealed section pertained to credit for sales tax paid on food and prescription drugs.

## **206.524 Credit adjustment; sale or transfer of homestead.**

Sec. 524.

(1) If the amount of the property taxes used as a basis for the credit computation differs from the property tax liability incurred and paid by the taxpayer for the tax year, the credit for the ensuing year shall be adjusted by the amount of the difference.

(2) If homestead property subject to ad valorem taxes is sold or transferred during the tax year, the respective amounts of credit shall be based on the ratio of days that the property was the claimant's homestead to the total number of days in the tax year.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987

**206.525 Repealed. 1980, Act 169, Eff. Sept. 17, 1980.**

**Compiler's Notes:** The repealed section pertained to advance payment of expected property tax credit.

**206.526 Right to file claim; payment of claim upon death of claimant; escheat.**

Sec. 526.

The right to file a claim is personal to the claimant. The right may be exercised on behalf of a claimant by an agent, guardian, attorney-in-fact, executor or administrator, or other persons charged with the care of the person or property of a claimant. When a claimant dies before he could have filed or after having filed a timely claim, the amount thereof may be paid to another member of the household or to the mortgagor of the state or federally aided housing, which is a multipurpose or multidwelling building, who has reduced the rent on the claimant's homestead because of the tax credit and payment provided in this chapter as determined by the department. If the claimant was the only member of his household and was not renting his homestead in a multipurpose or multidwelling building that is state or federally aided housing, the claim shall be paid to his executor or administrator, but if neither is appointed within 2 years after the filing of the claim, the amount of the claim shall escheat to the state.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1975, Act 233, Imd. Eff. Aug. 27, 1975 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012

**206.527 Repealed. 1990, Act 283, Imd. Eff. Dec. 14, 1990.**

**Compiler's Notes:** The repealed section pertained to credit for heating fuel costs for homestead.

**206.527a Credit for heating fuel costs for homestead; home weatherization assistance; study; rules; direct vendor payments by department of health and human services; federal appropriation; methods of improving processing of claims; reporting requirements; definitions.**

Sec. 527a.

(1) Subject to subsections (18) and (19), a claimant may claim a credit for heating fuel costs for the claimant's homestead in this state. An adult foster care home, nursing home, home for the aged, or substance abuse center is not a homestead for purposes of this section. The credit shall be determined in the following manner:

(a) Subject to subsections (18) and (19), the following table shall be used for the computation of a credit as computed under subdivision (c):

Exemptions	0 or 1	2	3	4	5	6 or more
Credit	\$272	\$326	\$379	\$450	\$525	\$601 + \$76 for each exemption over 6

(b) The amounts in the table in subdivision (a) shall be adjusted each year as necessary by the department so that a claimant with total household resources of less than 110% of the federal poverty income standards as defined and determined annually by the United States Office of Management and Budget is not denied a credit.

(c) A claimant shall receive the greater of the credit amount as determined in subparagraph (i) or (ii):

(i) Subtract 3.5% of the claimant's total household resources from the amount specified in subdivision (a) that corresponds with the number of exemptions claimed in the return filed under this part, except that the number of exemptions for purposes of this subdivision shall not exceed the actual number of individuals living in the household plus the additional personal exemptions allowed under section 30, and any dependency exemptions for individuals living in the household under a custodial arrangement, even if the exemptions may not be claimed for other income

tax purposes. For a claimant whose heating costs are included in his or her rent, multiply the result of the preceding calculation by 50%.

(ii) Subject to subsection (2), for a claimant whose total household resources do not exceed the maximum specified in the following table, as adjusted, that corresponds with the number of exemptions claimed in the return filed under this part, subtract 11% of claimant's total household resources from the total cost incurred by a claimant for heating fuel from a heating fuel provider during the 12 consecutive monthly billing periods ending in October of the tax year, and multiply the resulting amount by 70%:

Exemptions 0 or 1	2	3	4	5	For each exemption over 5, add \$2,441.00 to the maximum total household resources
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Maximum

Total

Household

Resources \$7,060 \$9,501 \$11,943 \$14,382 \$16,824

(d) The maximum cost incurred by a claimant for heating fuel during a tax year shall be adjusted by multiplying the maximum cost for the immediately preceding tax year by the percentage by which the average all urban Detroit Consumer Price Index for fuels and other utilities for the 12 months ending August 31 of the tax year for which the credit is claimed exceeds that index's average for the 12 months ending on August 31 of the previous tax year, but not more than 10%. That product shall be added to the maximum cost of the immediately preceding tax year and then rounded to the nearest whole dollar. That dollar amount is the new maximum cost for the current tax year. If the claimant received any credits to his or her heating bill during the tax year, as provided for in subsection (6), the credits shall be treated as costs incurred by the claimant.

(e) The maximum total household resources specified in subdivision (c)(ii) shall be adjusted by multiplying the respective maximum total household resources for the immediately preceding tax year by the percentage by which the average all urban Detroit Consumer Price Index for all items for the 12 months ending August 31 of the tax year for which the credit is claimed exceeds that index's average for the 12 months ending on August 31 of the immediately preceding tax year, but not more than 10%. That product shall be added to the immediately preceding tax year's respective maximum total household resources and then rounded to the nearest whole dollar. That dollar amount is the new maximum level for total household resources for the then current tax year.

(2) An enrolled heating fuel provider shall notify each of its customers, not later than December 15 of each year, of the availability, upon request, of the information necessary for determining the credit under this section. For a claimant for whom, at the time of filing, the department of health and human services is making direct vendor payments to an enrolled heating fuel provider, the enrolled heating fuel provider that accepts the direct payments shall provide the information necessary to determine the credit before February 1 of each year. If an enrolled heating fuel provider refuses or fails to provide to a customer the information required to determine the credit, or if the claimant is not a customer of an enrolled heating fuel provider, a claimant may determine the credit provided in subsection (1)(c)(ii) based on his or her own records.

(3) A credit claimed on a return that covers a period of less than 12 months shall be calculated based on subsection (1)(c)(i) and shall be reduced proportionately.

(4) The allowable amount of the credit under this section shall be remitted to the claimant, other than a claimant whose heating costs are included in his or her rent, in the form of an energy draft that states the name of the claimant and is issued by the department. For a claimant for whom, at the time of filing, the department of health and human services has identified the enrolled heating fuel provider or is making direct vendor payments to an enrolled heating fuel provider, the department shall send the energy draft directly to the claimant's enrolled heating fuel provider, as identified by the claimant. If the department establishes a program or pilot program for the direct payment of energy drafts to enrolled heating fuel providers, enrolled heating fuel providers may submit to the department, in a manner prescribed by the department, the names of their customers who are claimants. If a claimant whose name has been submitted meets the standards established by the department, the department shall send that claimant's energy draft directly to the claimant's enrolled heating fuel provider. If the enrolled heating fuel provider submits names of claimants who are not its customers and the energy drafts of any of those claimants are sent to the enrolled heating fuel provider, the enrolled heating fuel provider shall return the energy drafts or pay the

value of the energy drafts to the department plus interest on the amount of the energy drafts at the rate calculated under section 23 of 1941 PA 122, MCL 205.23, for deficiencies in tax payments. Except as provided in subsection (5), after July 31, a refundable credit for a prior tax year may be paid in the form of a negotiable warrant. The energy draft shall be negotiable only through the claimant's enrolled heating fuel provider upon remittance by the claimant.

(5) If a claimant received home heating assistance from the department of health and human services, a governmental agency, or a nonprofit organization 12 months prior to remitting an energy draft to the claimant's enrolled heating fuel provider and the amount of the energy draft is greater than the total of outstanding bills incurred by the claimant with the enrolled heating fuel provider as of the date that the energy draft was remitted to the enrolled heating fuel provider, the enrolled heating fuel provider shall first apply the full amount of the energy draft to the claimant's outstanding bills and then apply any remaining amount to subsequent bills of the claimant until the full amount of the energy draft is used up or the expiration of 9 months after the date on which the energy draft was first applied to cover the claimant's outstanding bills. If there is any remaining energy draft amount at the end of the 9-month period, or if before the end of the 9-month period the claimant is no longer a customer of the enrolled heating fuel provider, the enrolled heating fuel provider shall remit the remaining amount to the claimant in the form of a fully negotiable check within 14 days after the end of the 9-month period or 14 days after the termination of services, whichever occurs sooner. If the claimant did not receive home heating assistance from the department of health and human services, a governmental agency, or a nonprofit organization 12 months prior to remitting an energy draft, the claimant, by checking the appropriate box to be included on the energy draft or application for participation with an enrolled heating fuel provider, may request from the enrolled heating fuel provider a payment equal to the amount of the energy draft less the amount of the outstanding bills. The enrolled heating fuel provider shall issue the payment within 14 days after the claimant's request. For purposes of this subsection, home heating assistance does not include the credit allowed under this section.

(6) If a claimant whose energy draft exceeds his or her outstanding bills does not request a payment from an enrolled heating fuel provider under subsection (5), an energy draft remitted to an enrolled heating fuel provider shall be applied upon receipt to the claimant's designated account. The energy draft may be used to cover outstanding bills that the claimant has incurred with the enrolled heating fuel provider and to cover subsequent heating costs until the full amount of the energy draft is used or until 1 year after the date on which the energy draft is first applied to the claimant's designated account. If a credit amount remains from this energy draft after the 1-year period, or if prior to the end of the 1-year period a claimant is no longer a customer of the enrolled heating fuel provider, the heating fuel provider shall remit the remaining unused portion to the claimant in the form of a fully negotiable check within 14 days after the end of the 1-year period or within 14 days after termination of service, whichever is sooner.

(7) A claimant who is no longer a resident of this state, who is not a customer of an enrolled heating fuel provider, or whose heating fuel provider refuses to accept an energy draft shall return the energy draft to the department and request the issuance of a negotiable warrant. A claimant may return an energy draft to the department and request issuance of a negotiable warrant if the energy draft is impractical because the claimant has already purchased his or her energy supply for the year and does not have an outstanding obligation to an enrolled heating fuel provider. The department may honor that request if it agrees that the use of the energy draft is impractical. The department shall issue the warrant within 14 days after receiving the energy draft from the claimant.

(8) The enrolled heating fuel provider shall bill the department for credit amounts that have been applied to claimant accounts pursuant to subsection (6), and the department shall pay the bills within 14 days of receipt. The billing shall be accompanied by the energy drafts for which reimbursement is claimed.

(9) A claimant whose heating fuel is provided by a utility regulated by the Michigan public service commission is protected against the discontinuance of his or her heating fuel service from the date of filing a claim for the credit under this section through the date of issuance of an energy draft and during a period beginning December 1 of the tax year for which the credit is claimed and ending March 31 of the following year if the claimant participates in the winter protection program set forth in R 460.131 of the Michigan Administrative Code or if the utility accepts the claimant's energy draft. The acceptance of an energy draft by a utility is considered a request by the claimant for the winter protection program. The energy draft shall be coded by the department to denote claimants who are 65 years of age or older. If the claimant is a claimant whose heating cost is included in his or her rent payments, the amount of the claim not used as an offset against the state income tax, after examination and review, shall be approved for payment, without interest, to the claimant.

(10) If an enrolled heating fuel provider does not issue a payment or a negotiable check within 14 days or as otherwise provided in subsection (5) or (6), beginning on the fifteenth day or the fifteenth day after the expiration of the 9-month period under subsection (5), the amount due to the claimant is increased by adding interest computed on the basis of the rate of interest prescribed for delayed refunds of excess tax payments in section 30(3) of 1941 PA 122, MCL 205.30. The enrolled heating fuel provider shall pay the interest and shall not bill the interest to or be reimbursed for the interest by the department.

(11) Only the renter or lessee shall claim a credit on property that is rented or leased as a homestead. Only 1

credit may be claimed for a household. The credit under this section is in addition to other credits to which the claimant is entitled under this part. An individual who is a full-time student at a school, community college, or college or university and who is claimed as a dependent by another individual is not eligible for the credit provided by this section. A claimant who shares a homestead with other eligible claimants shall prorate the credit by the number of claimants sharing the homestead.

(12) A claimant who is eligible for the credit provided by this section shall be referred by the department to the appropriate state agency for determination of eligibility for home weatherization assistance and shall accept weatherization assistance if eligible and if assistance is available. A heating fuel provider that is required by the Michigan public service commission to participate in the residential conservation services home energy analysis program shall annually contact each claimant to whom it provides heating fuel, and whose usage exceeds 200,000 cubic feet of natural gas or 18,000 kilowatt hours of electricity annually, and shall offer to provide a home energy analysis at no cost to the claimant. A heating fuel provider that is not required to participate in the residential conservation services program shall not be required to conduct a home energy analysis for its customers. For all rental properties that are weatherized pursuant to this section, each agency that determines eligibility for weatherization assistance shall require that not less than 25% of the total cost of the weatherization services for that property shall be contributed by the property owner unless the property owner is also eligible for weatherization assistance or is a nonprofit organization, governmental agency, or municipal corporation.

(13) If an enrolled heating fuel provider is regulated by the Michigan public service commission, the Michigan public service commission may use an enforcement method authorized by law or rule to enforce the requirements prescribed by this section on the enrolled heating fuel provider. If an enrolled heating fuel provider is not regulated by the Michigan public service commission, the department of health and human services may use an enforcement method authorized by law or rule to enforce the requirements prescribed by this section on the enrolled heating fuel provider.

(14) The department shall mail a home heating credit return to every individual who received assistance through the department of health and human services pursuant to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, during the tax year.

(15) The department shall complete a study by August 1 of each year, of the actual heating costs of each claimant who received a credit from the department under this section for the immediately preceding tax year.

(16) The department may promulgate rules necessary to administer this section pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(17) The department shall provide a simplified procedure for claiming the credit under this section for claimants for whom, at the time of filing, the department of health and human services is making direct vendor payments to an enrolled heating fuel provider.

(18) The credit under this section is allowed only if there has been a federal appropriation for the federal fiscal year beginning in the tax year of federal low income home energy assistance program block grant funds of any amount. If the amount of federal low income home energy assistance program block grant funds available for the home heating credit is less than the full home heating credit amount, each individual credit claimed under this section shall be reduced by multiplying the credit amount by a fraction, the numerator of which is the amount available for the home heating credit and the denominator of which is the full home heating credit amount. As used in this subsection, "amount available for the home heating credit" means the sum of the federal low income home energy assistance program block grant allotment for this state for the federal fiscal year beginning in the tax year and the amount as certified by the director of the department of health and human services carried forward from the immediately preceding fiscal year for the low income home energy assistance program block grant minus the sum of the amount certified by the director of the department of health and human services for administration of the low income home energy assistance program block grant, the amount certified by the director of the department of health and human services for crisis assistance programs, and the amount certified by the director of the department of health and human services for weatherization. For the 2014-2015 fiscal year and continuing through the 2026-2027 fiscal year, the amount used for weatherization each fiscal year shall be determined as provided under this subsection. If the total federal low income home energy assistance program block grant received for the current fiscal year is greater than or equal to 90% of the amount of block grant funds received in the immediately preceding fiscal year, then the amount of federal low income home energy assistance program block grant funds used for weatherization for that fiscal year shall be at least \$6,000,000.00 but not greater than 15% of the total federal low income home energy assistance program block grant funds received for that fiscal year. If the total federal low income home energy assistance block grant received for the current fiscal year is less than 90% of the amount of block grant funds received in the immediately preceding fiscal year, then the amount of federal low income home energy assistance program block grant funds used for weatherization for that fiscal year shall be at least \$5,000,000.00 but not greater than 15% of the total federal low income home energy assistance program block grant funds received for that fiscal year. The amounts under this subsection that require certification by the director of the department of health and human services or by the state treasurer and the director of the department of technology, management, and budget shall be certified on or before December 30 of the tax year and each tax year thereafter. As used in this subsection, "full home heating credit amount" means the amount certified by the state



treasurer and the director of the department of technology, management, and budget to be the estimated amount of the credits that would have been provided under this section for the tax year if no reduction as provided in this subsection were made for that tax year.

(19) A claimant who claims a credit under this section shall not report the credit amount on the claimant's income tax return filed under this part as an offset against the tax imposed by this part, but shall claim the credit on a separate form prescribed by the department. A credit claimed under this section shall not be allowed unless the claim for the credit is filed with the department on or before the September 30 immediately following the tax year for which the credit is claimed. For tax years after the 2017 tax year, a credit claimed under this section is not allowed unless the claimant provides the department with all of the information, as requested by the department of health and human services, necessary to comply with the requirements of the federal appropriation of the federal low income home energy assistance program block grant. The department shall disclose the information provided under this subsection to the department of health and human services or the United States Department of Health and Human Services or its successor. The confidentiality restrictions provided in section 28(1)(f) of 1941 PA 122, MCL 205.28, do not apply to the disclosure required by this subsection.

(20) Notwithstanding section 30a of 1941 PA 122, MCL 205.30a, the credit allowed under this section is exempt from interception, execution, levy, attachment, garnishment, or other legal process to collect a debt. No portion of the credit allowed or any rights existing under this section shall be applied as an offset to any liability of the claimant under section 30a of 1941 PA 122, MCL 205.30a, or any arrearage or other debt of the claimant.

(21) The department shall meet with interested parties including enrolled heating fuel providers and advocacy groups to identify and implement methods of improving the processing of claims for the credit allowed under this section and payments attributable to those credits.

(22) By July 1, 2018 and by each July 1 thereafter, the department of health and human services shall submit a report on the operation and effectiveness of the home heating and weatherization assistance programs under this section and any recommendations regarding the home heating and weatherization assistance programs to all of the following:

- (a) The chairpersons and vice-chairpersons of the senate and house of representatives appropriations committees.
- (b) The senate and house of representatives committees on taxation and finance related issues.
- (c) The senate and house of representatives committees on energy and technology related issues.

(23) As used in this section:

(a) "Claimant whose heating costs are included in his or her rent" means a claimant whose rent includes the cost of heat at the time the claim for the credit under this section is filed.

(b) "Enrolled heating fuel provider" means a heating fuel provider that is enrolled with the department of health and human services as a heating fuel provider.

(c) "Heating fuel provider" means an individual or entity that provides a claimant with heating fuel or electricity for heating purposes.

**History:** Add. 1979, Act 126, Imd. Eff. Oct. 23, 1979 ;-- Am. 1981, Act 152, Imd. Eff. Nov. 19, 1981 ;-- Am. 1984, Act 36, Eff. Apr. 12, 1984 ;-- Am. 1985, Act 158, Imd. Eff. Nov. 15, 1985 ;-- Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987 ;-- Am. 1988, Act 516, Imd. Eff. Dec. 30, 1988 ;-- Am. 1989, Act 75, Imd. Eff. June 20, 1989 ;-- Am. 1991, Act 181, Imd. Eff. Dec. 26, 1991 ;-- Am. 1995, Act 245, Imd. Eff. Dec. 27, 1995 ;-- Am. 1996, Act 484, Eff. Jan. 1, 1996 ;-- Am. 2001, Act 169, Imd. Eff. Nov. 27, 2001 ;-- Am. 2004, Act 335, Imd. Eff. Sept. 23, 2004 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012 ;-- Am. 2014, Act 523, Imd. Eff. Jan. 14, 2015 ;-- Am. 2018, Act 161, Imd. Eff. May 23, 2018 ;-- Am. 2018, Act 309, Imd. Eff. June 29, 2018 ;-- Am. 2022, Act 266, Imd. Eff. Dec. 22, 2022

**Compiler's Notes:** Section 2 of Act 181 of 1991 provides: "This amendatory act shall be effective for the 1991 tax year and each tax year after 1991." Subsection (1) of Section 3 of Act 484 provides: "Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996." Enacting section 1 of Act 335 of 2004 provides: "Enacting section 1. This amendatory act is effective for tax years that begin after December 31, 2003."

## **206.528 Repealed. 1987, Act 254, Imd. Eff. Dec. 28, 1987.**

**Compiler's Notes:** The repealed section pertained to penalty for excessive or fraudulent claim.

## **206.530 Proof required; credit computation for homestead; unoccupied land used for agricultural or**

**horticultural purposes; disallowance of claim; applying amount of claim against liability.**

Sec. 530.

(1) The department may require reasonable proof from the claimant in support of rent paid, property taxes paid, total household resources, size and nature of the property claimed as a homestead, or any other information required for the administration of this chapter.

(2) If a homestead is occupied for less than a 12-month period, the credit computation shall be proportional to the period of occupancy. A claimant shall not occupy more than 1 homestead at 1 time. If more than 1 homestead is occupied during the tax year, the credit computation shall be proportional to the period of occupancy of each homestead, but not for a total period of more than 1 year.

(3) If unoccupied land is used for agricultural or horticultural purposes by the claimant, the credit shall be allowed only if the gross receipts of the agricultural or horticultural operations exceed the total household resources as defined in this part.

(4) A claim shall not be allowed if the department finds that the claimant received title to the homestead primarily for the purpose of receiving benefits under this chapter.

(5) The amount of a claim otherwise payable may be applied by the department against a liability outstanding on the books of the state against the claimant.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1975, Act 168, Imd. Eff. July 17, 1975 ;-- Am. 1976, Act 379, Imd. Eff. Dec. 28, 1976 ;-- Am. 1977, Act 1, Imd. Eff. Feb. 23, 1977 ;-- Am. 1980, Act 517, Imd. Eff. Jan. 26, 1981 ;-- Am. 1982, Act 480, Eff. Mar. 30, 1983 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012

**206.531 Repealed. 1976, Act 379, Imd. Eff. Dec. 28, 1976.**

**Compiler's Notes:** The repealed section pertained to deferment of summer taxes by certain persons.

**206.532 Forms for claiming credit; provisions of act applicable to chapter.**

Sec. 532.

The department shall prescribe forms for claiming the credit, which forms shall be a component part of the state income tax return. All provisions of this part including, but not limited to, audit, review, determinations, appeals, hearings, notices, assessments, and administration shall apply to this chapter.

**History:** Add. 1973, Act 20, Imd. Eff. May 16, 1973 ;-- Am. 1975, Act 168, Imd. Eff. July 17, 1975 ;-- Am. 2011, Act 38, Eff. Jan. 1, 2012