

**HOMESTEAD EXEMPTION:
MILITARY PERSONNEL**

**House Bill 5048 as introduced
First Analysis (10-16-97)**

**Sponsor: Rep. Kirk A. Profit
Committee: Tax Policy**

THE APPARENT PROBLEM:

With some exceptions, under Michigan's new school financing system, homesteads (owner-occupied principal residences) are exempt from local school property taxes. To receive a homestead exemption, homeowners are supposed to file an affidavit with the local tax collecting unit by May 1. However, homeowners who owned and occupied property as of May 1 also have the opportunity to obtain an exemption by going to the July or December board of review in the year for which the exemption is claimed or the immediately succeeding year. Legislation has been proposed that would grant additional opportunities for an exemption for homeowners who are on active duty with the military and serving outside the state.

because he or she was outside of the state on the various deadlines for

THE CONTENT OF THE BILL:

The bill would amend the General Property Tax Act to specify that a homeowner on active duty with the armed forces of the United States could file an appeal for a homestead exemption for any year in which he or she was serving outside the state with the July board of review or the December board of review in the year in which the owner returned to the state or the immediately succeeding year. (An exemption would only be available for a year in which the person owned and occupied a homestead on May 1 of that year.)

MCL 211.7cc

FISCAL IMPLICATIONS:

The House Fiscal Agency has said the cost/revenue impact of the bill would be minimal. (Fiscal Note dated 10-13-97)

ARGUMENTS:

For:

The bill addresses those few cases where a person serving in the military could be denied a homestead property tax exemption (from school operating taxes)

filing an affidavit or an appeal with the local board of review. It would allow the homeowner to file an appeal with the board of review when he or she returned to the state for any year for which he or she would have been eligible for an exemption while out of the state.

POSITIONS:

The Department of Military and Veterans' Affairs supports the bill. (10-15-97)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.