

SUBSTITUTE FOR  
SENATE BILL NO. 847

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 522 (MCL 206.522), as amended by 2013 PA 206.

**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 who is not a senior citizen is entitled to a  
4 credit against the state income tax liability under this part  
5 equal to 60% of the amount by which the property taxes on the  
6 homestead, or the credit for rental of the homestead for the tax  
7 year, exceeds 3.5% of the claimant's total household resources  
8 for ~~that tax year.~~ **TAX YEARS ENDING BEFORE JANUARY 1, 2015 OR**  
9 **EXCEEDS 2.6% OF THE CLAIMANT'S TOTAL HOUSEHOLD RESOURCES FOR TAX**  
10 **YEARS BEGINNING AFTER DECEMBER 31, 2014.**

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

4 (i) For a claimant with total household resources of  
5 \$21,000.00 or less, an amount as determined in accordance with  
6 subdivision (c).

7 (ii) For a claimant with total household resources of more  
8 than \$21,000.00 and less than or equal to \$22,000.00, an amount  
9 equal to 96% of the difference between the property taxes on the  
10 homestead or the credit for rental of the homestead for the tax  
11 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
12 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**  
13 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

14 (iii) For a claimant with total household resources of more  
15 than \$22,000.00 and less than or equal to \$23,000.00, an amount  
16 equal to 92% of the difference between the property taxes on the  
17 homestead or the credit for rental of the homestead for the tax  
18 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
19 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**  
20 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

21 (iv) For a claimant with total household resources of more  
22 than \$23,000.00 and less than or equal to \$24,000.00, an amount  
23 equal to 88% of the difference between the property taxes on the  
24 homestead or the credit for rental of the homestead for the tax  
25 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
26 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**  
27 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

1           (v) For a claimant with total household resources of more  
2 than \$24,000.00 and less than or equal to \$25,000.00, an amount  
3 equal to 84% of the difference between the property taxes on the  
4 homestead or the credit for rental of the homestead for the tax  
5 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
6 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**  
7 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

8           (vi) For a claimant with total household resources of more  
9 than \$25,000.00 and less than or equal to \$26,000.00, an amount  
10 equal to 80% of the difference between the property taxes on the  
11 homestead or the credit for rental of the homestead for the tax  
12 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
13 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**  
14 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

15           (vii) For a claimant with total household resources of more  
16 than \$26,000.00 and less than or equal to \$27,000.00, an amount  
17 equal to 76% of the difference between the property taxes on the  
18 homestead or the credit for rental of the homestead for the tax  
19 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
20 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**  
21 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

22           (viii) For a claimant with total household resources of more  
23 than \$27,000.00 and less than or equal to \$28,000.00, an amount  
24 equal to 72% of the difference between the property taxes on the  
25 homestead or the credit for rental of the homestead for the tax  
26 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
27 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**

1 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

2 (ix) For a claimant with total household resources of more  
3 than \$28,000.00 and less than or equal to \$29,000.00, an amount  
4 equal to 68% of the difference between the property taxes on the  
5 homestead or the credit for rental of the homestead for the tax  
6 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
7 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**  
8 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

9 (x) For a claimant with total household resources of more  
10 than \$29,000.00 and less than or equal to \$30,000.00, an amount  
11 equal to 64% of the difference between the property taxes on the  
12 homestead or the credit for rental of the homestead for the tax  
13 year and 3.5% of total household resources **FOR TAX YEARS ENDING**  
14 **BEFORE JANUARY 1, 2015 AND 2.6% OF TOTAL HOUSEHOLD RESOURCES FOR**  
15 **TAX YEARS BEGINNING AFTER DECEMBER 31, 2014.**

16 (xi) For a claimant with total household resources of more  
17 than \$30,000.00, an amount equal to 60% of the difference between  
18 the property taxes on the homestead or the credit for rental of  
19 the homestead for the tax year and 3.5% of total household  
20 resources **FOR TAX YEARS ENDING BEFORE JANUARY 1, 2015 AND 2.6% OF**  
21 **TOTAL HOUSEHOLD RESOURCES FOR TAX YEARS BEGINNING AFTER DECEMBER**  
22 **31, 2014.**

23 (c) A claimant who is a senior citizen with total household  
24 resources of \$21,000.00 or less or a paraplegic, hemiplegic, or  
25 quadriplegic and for tax years that begin after December 31,  
26 1999, a claimant who is totally and permanently disabled, deaf,  
27 or, for tax years that begin after December 31, 2012, blind is

1 entitled to a credit against the state income tax liability for  
 2 the amount by which the property taxes on the homestead, the  
 3 credit for rental of the homestead, or a service charge in lieu  
 4 of ad valorem taxes as provided by section 15a of the state  
 5 housing development authority act of 1966, 1966 PA 346, MCL  
 6 125.1415a, for the tax year exceeds the percentage of the  
 7 claimant's total household resources for that tax year computed  
 8 as follows:

9 **FOR TAX YEARS ENDING BEFORE JANUARY 1, 2015**

10	Total household resources	Percentage
11	Not over \$3,000.00	.0%
12	Over \$3,000.00 but not over \$4,000.00	1.0%
13	Over \$4,000.00 but not over \$5,000.00	2.0%
14	Over \$5,000.00 but not over \$6,000.00	3.0%
15	Over \$6,000.00	3.5%

16

17 **FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 2014**

18	<b>TOTAL HOUSEHOLD RESOURCES</b>	<b>PERCENTAGE</b>
19	<b>NOT OVER \$6,000.00</b>	<b>.0%</b>
20	<b>OVER \$6,000.00</b>	<b>2.6%</b>

21 (d) A claimant who is an eligible serviceperson, eligible  
 22 veteran, or eligible widow or widower is entitled to a credit  
 23 against the state income tax liability for a percentage of the  
 24 property taxes on the homestead for the tax year not in excess of  
 25 100% determined as follows:

26 (i) Divide the taxable value allowance specified in section  
 27 506 by the taxable value of the homestead or, if the eligible

1 serviceperson, eligible veteran, or eligible widow or widower  
2 leases or rents a homestead, divide 17% of the total annual rent  
3 paid for tax years before the 1994 tax year, or 20% of the total  
4 annual rent paid for tax years after the 1993 tax year on the  
5 property by the property tax rate on the property.

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

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

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

13 (ii) If the taxable value of the homestead is more than  
14 \$3,500.00, the percentage that \$3,500.00 bears to the taxable  
15 value of the homestead.

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

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

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

25 (5) A senior citizen who has total household resources for  
26 the tax year of \$6,000.00 or less and who for 1973 received a  
27 senior citizen homestead exemption under former section 7c of the

1 general property tax act, 1893 PA 206, may compute the credit  
2 against the state income tax liability for a percentage of the  
3 property taxes on the homestead for the tax year determined as  
4 follows:

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

7 (b) If the taxable value of the homestead is more than  
8 \$2,500.00, the percentage that \$2,500.00 bears to the taxable  
9 value of the homestead.

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

12 (7) The department may prescribe tables that may be used to  
13 determine the amount of the claim.

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

16 (9) The total credit allowable under this part and part 361  
17 of the natural resources and environmental protection act, 1994  
18 PA 451, MCL 324.36101 to 324.36117, shall not exceed the total  
19 property tax due and payable by the claimant in that year. The  
20 amount by which the credit exceeds the property tax due and  
21 payable shall be deducted from the credit claimed under part 361  
22 of the natural resources and environmental protection act, 1994  
23 PA 451, MCL 324.36101 to 324.36117.

24 Enacting section 1. This amendatory act does not take effect  
25 unless all of the following bills of the 97th Legislature are  
26 enacted into law:

27 (a) Senate Bill No. 752.

1 (b) House Bill No. 5477.

2 (c) House Bill No. 5493.