

HOUSE BILL NO. 6402

September 22, 2022, Introduced by Reps. Cambensy, LaFave and Markkanen and referred to the Committee on Military, Veterans and Homeland Security.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7b (MCL 211.7b), as amended by 2013 PA 161.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. ~~(1) Real property used and owned as a homestead by a~~
2 ~~disabled veteran who was discharged from the armed forces of the~~
3 ~~United States under honorable conditions or by an individual~~
4 ~~described in subsection (2) is exempt from the collection of taxes~~
5 ~~under this act. To obtain the exemption, an affidavit showing the~~
6 ~~facts required by this section and a description of the real~~
7 ~~property shall be filed by the property owner or his or her legal~~

1 ~~designee with the supervisor or other assessing officer during the~~
2 ~~period beginning with the tax day for each year and ending at the~~
3 ~~time of the final adjournment of the local board of review. The~~
4 ~~affidavit when filed shall be open to inspection. The county~~
5 ~~treasurer shall cancel taxes subject to collection under this act~~
6 ~~for any year in which a disabled veteran eligible for the exemption~~
7 ~~under this section has acquired title to real property exempt under~~
8 ~~this section. Upon granting the exemption under this section, each~~
9 ~~local taxing unit shall bear the loss of its portion of the taxes~~
10 ~~upon which the exemption has been granted.~~

11 ~~(2) If a disabled veteran who is otherwise eligible for the~~
12 ~~exemption under this section dies, either before or after the~~
13 ~~exemption under this section is granted, the exemption shall remain~~
14 ~~available to or shall continue for his or her unremarried surviving~~
15 ~~spouse. The surviving spouse shall comply with the requirements of~~
16 ~~subsection (1) and shall indicate on the affidavit that he or she~~
17 ~~is the surviving spouse of a disabled veteran entitled to the~~
18 ~~exemption under this section. The exemption shall continue as long~~
19 ~~as the surviving spouse remains unremarried.~~

20 ~~(3) As used in this section, "disabled veteran" means a person~~
21 ~~who is a resident of this state and who meets 1 of the following~~
22 ~~criteria:~~

23 ~~(a) Has been determined by the United States department of~~
24 ~~veterans affairs to be permanently and totally disabled as a result~~
25 ~~of military service and entitled to veterans' benefits at the 100%~~
26 ~~rate.~~

27 ~~(b) Has a certificate from the United States veterans'~~
28 ~~administration, or its successors, certifying that he or she is~~
29 ~~receiving or has received pecuniary assistance due to disability~~

1 ~~for specially adapted housing.~~

2 ~~(c) Has been rated by the United States department of veterans~~
3 ~~affairs as individually unemployable.~~

4 (1) A disabled veteran, the widow or widower of a disabled
5 veteran, or the widow or widower of a veteran killed in action who
6 wants to defer collection of his or her property taxes and
7 authorize the local tax collecting unit to claim the homestead
8 credit provided for in section 521 of the income tax act of 1967,
9 1967 PA 281, MCL 206.521, on his or her behalf must file an
10 affidavit under this section, in a form as prescribed by the
11 department of treasury, with the local tax collecting unit in which
12 the homestead is located. The applicant may file the affidavit
13 anytime in the calendar year during which the property taxes
14 subject to the credit are levied. The affidavit must include all of
15 the following:

16 (a) A description of the property for which the credit is
17 claimed.

18 (b) A statement that the property described in subdivision (a)
19 is owned and used by the applicant as his or her homestead.

20 (c) A statement that the applicant is a disabled veteran, the
21 widow or widower of a disabled veteran, or the widow or widower of
22 a veteran killed in action.

23 (d) A statement authorizing the local tax collecting unit to
24 claim the homestead credit under section 521 of the income tax act
25 of 1967, 1967 PA 281, MCL 206.521, on behalf of the applicant.

26 (e) A statement authorizing the department of treasury to
27 remit direct payment of the credit claimed on his or her behalf
28 directly to the local tax collecting unit.

29 (f) Supporting documentation for the information described in

1 this subsection as required by the local tax collecting unit
2 pursuant to guidelines provided by the department of treasury. For
3 purposes of documentation in support of the statement required in
4 subdivision (c), if the disability status of a veteran is
5 established by a disability rating provided in writing by the
6 United States Department of Veterans Affairs prior to the year in
7 which the affidavit is filed, the affidavit must include a
8 statement that the disability rating is the veteran's most recent
9 disability rating and has not changed since it was initially
10 provided.

11 (2) The department of treasury shall provide local tax
12 collecting units with informational materials that a local tax
13 collecting unit shall distribute to applicants who file affidavits
14 under subsection (1). The informational materials must explain how
15 an applicant's affidavit will be processed and how the applicant's
16 tax liability will be handled under subsections (3) to (6).

17 (3) A local tax collecting unit that receives an affidavit
18 filed under subsection (1) shall do both of the following:

19 (a) Defer collecting any property taxes levied on the
20 homestead during the calendar year in which the affidavit was filed
21 until 1 of the following:

22 (i) This state pays those property taxes under section 521 of
23 the income tax act of 1967, 1967 PA 281, MCL 206.521.

24 (ii) This state rejects the claim for the credit under section
25 521 of the income tax act of 1967, 1967 PA 281, MCL 206.521.

26 (b) Before February 1 of the year immediately succeeding the
27 calendar year in which the affidavit was filed, all of the
28 following:

29 (i) Provide the department of treasury with a copy of the

1 affidavit.

2 (ii) Provide the department of treasury with the information
3 necessary to determine the amount of the property taxes deferred on
4 the applicant's homestead for the calendar year for which the
5 affidavit was filed and the credit is being claimed.

6 (iii) File a claim for the homestead credit under section 521 of
7 the income tax act of 1967, 1967 PA 281, MCL 206.521, on behalf of
8 the applicant who filed the affidavit, and request payment of that
9 credit. The filing under this subparagraph, and the provision of
10 documentation and information under subparagraphs (i) and (ii), must
11 be done in a form and manner prescribed by the department of
12 treasury. However, the department shall not require, but may
13 encourage, local tax collecting units to make their submissions
14 electronically.

15 (4) Except as otherwise provided in this subsection, property
16 taxes deferred under subsection (3) (a) are not subject to penalties
17 or interest for the period of deferment. If this state rejects the
18 claim for the credit under subsection (3) (a) (ii), any unpaid balance
19 becomes due and payable on the date of the rejection, and 90 days
20 after the rejection any remaining unpaid balance is subject to
21 penalties and interest consistent with this act.

22 (5) Upon this state's payment of property taxes, or rejection
23 of a claim for the credit, as described in subsection (3) (a), the
24 local tax collecting unit shall provide written notification to the
25 applicant who filed the affidavit for the credit under subsection
26 (1) of that payment or rejection, the amount of any unpaid balance
27 due and payable under subsection (4), and the date by which that
28 unpaid balance must be paid before it is subject to the penalties
29 and interest described in subsection (4).

1 (6) Payments made by this state under section 521 of the
2 income tax act of 1967, 1967 PA 281, MCL 206.521, for property
3 taxes collected under this act are considered taxes paid by the
4 disabled veteran, the widow or widower of a disabled veteran, or
5 the widow or widower of a veteran killed in action.

6 (7) As used in this section:

7 (a) "Disabled veteran" means a veteran who meets 1 of the
8 following criteria:

9 (i) Has been determined by the United States Department of
10 Veterans Affairs to be permanently and totally disabled as a result
11 of military service and entitled to veterans' benefits at the 100%
12 rate.

13 (ii) Has been determined by the United States Department of
14 Veterans Affairs to be entitled to veterans' benefits based on a
15 rating equal to or greater than 50% disabled and less than 100%
16 permanently and totally disabled.

17 (iii) Has a certificate from the United States Department of
18 Veterans Affairs certifying that he or she is receiving or has
19 received pecuniary assistance due to disability for specially
20 adapted housing.

21 (iv) Has been rated by the United States Department of Veterans
22 Affairs as individually unemployable.

23 (b) "Veteran" means that term as defined in section 1 of 1965
24 PA 190, MCL 35.61.

25 (c) "Widow or widower of a disabled veteran" means the
26 unmarried surviving spouse of a disabled veteran as defined in
27 subdivision (a) (i), (iii), or (iv) who was eligible for 1 of the
28 following when he or she died:

29 (i) If the death occurred before December 31, 2022, the

1 exemption provided in this section before December 31, 2022,
2 whether or not the exemption had previously been granted to the
3 decedent.

4 (ii) If the death occurred on or after December 31, 2022, the
5 homestead credit provided in section 521 of the income tax act of
6 1967, 1967 PA 281, MCL 206.521, on and after December 31, 2022,
7 whether or not the credit had previously been granted to the
8 decedent.

9 (d) "Widow or widower of a veteran killed in action" means the
10 unmarried surviving spouse of a veteran who was killed in action
11 while serving as a member of the United States Armed Forces.

12 Enacting section 1. This amendatory act takes effect December
13 31, 2022.

14 Enacting section 2. This amendatory act does not take effect
15 unless Senate Bill No. ____ or House Bill No. 6401 (request no.
16 06703'22) of the 101st Legislature is enacted into law.