

HOUSE BILL NO. 4895

July 18, 2023, Introduced by Reps. Roth, Shannon, Bruck, Rogers, Churches, Liberati, McFall, Price, Conlin, Wilson, MacDonell, BeGole, Cavitt, Aragona, Wozniak and Fitzgerald and referred to the Committee on Local Government and Municipal Finance.

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~~

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

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

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

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

~~28 (b) Has a certificate from the United States veterans'
 29 administration, or its successors, certifying that he or she is~~

1 ~~receiving or has received pecuniary assistance due to disability~~
 2 ~~for specially adapted housing.~~

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

5 (1) Beginning on and after January 1, 2024, a taxpayer who is
 6 a disabled veteran or the widow or widower of a disabled veteran
 7 and who wants to defer collection of the taxpayer's property taxes
 8 and authorize the local tax collecting unit to claim the homestead
 9 credit provided for in section 521 of the income tax act of 1967,
 10 1967 PA 281, MCL 206.521, on the taxpayer's behalf must file an
 11 affidavit under this section, in a form as prescribed by the
 12 department of treasury, with the local tax collecting unit in which
 13 the homestead is located. The taxpayer may file the affidavit
 14 anytime in the calendar year during which the property taxes
 15 subject to the credit are levied. The affidavit must include all of
 16 the following:

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

19 (b) A statement that the property described in subdivision (a)
 20 is owned and used by the taxpayer as the taxpayer's homestead.

21 (c) A statement that the taxpayer is a disabled veteran or the
 22 widow or widower of a disabled veteran.

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 taxpayer.

26 (e) A statement authorizing the department of treasury to
 27 remit direct payment of the credit claimed on the taxpayer's 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 taxpayers who file affidavits
14 under subsection (1). The informational materials must explain how
15 a taxpayer's affidavit will be processed and how the taxpayer's tax
16 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 taxpayer'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 taxpayer 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. The affidavit and information required to be submitted to
13 the department by the local tax collecting unit under this
14 subsection may be submitted 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 taxpayer 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 or the widow or widower of a disabled veteran.

5 (7) As used in this section:

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

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

12 (ii) Has a certificate from the United States Department of
13 Veterans Affairs certifying that the veteran is receiving or has
14 received pecuniary assistance due to disability for specially
15 adapted housing.

16 (iii) Has been rated by the United States Department of Veterans
17 Affairs as individually unemployable.

18 (b) "Veteran" means an individual who served in the Armed
19 Forces of the United States and who was discharged or released from
20 that service with an honorable or general discharge.

21 (c) "Widow or widower of a disabled veteran" means the
22 unmarried surviving spouse of a disabled veteran eligible for 1 of
23 the following when the disabled veteran died:

24 (i) If the death occurred before December 31, 2023, the
25 exemption provided in this section before December 31, 2023,
26 whether or not the exemption had previously been granted to the
27 decedent.

28 (ii) If the death occurred on or after December 31, 2023, the
29 homestead credit provided in section 521 of the income tax act of

1 1967, 1967 PA 281, MCL 206.521, on and after December 31, 2023,
2 whether or not the credit had previously been granted to the
3 decedent.

4 Enacting section 1. This amendatory act takes effect December
5 31, 2023.

6 Enacting section 2. This amendatory act does not take effect
7 unless Senate Bill No. _____ or House Bill No. 4894 (request no.
8 02649'23 *) of the 102nd Legislature is enacted into law.