

HOUSE BILL NO. 5272

November 12, 2025, Introduced by Reps. Mentzer, Xiong, Young, O'Neal, B. Carter, Price, Neeley, McKinney, Tate, Weiss, Breen, Paiz, Glanville, Byrnes, Longjohn, T. Carter, Witwer, McFall, Koleszar and Wooden and referred to Committee on Government Operations.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending sections 522 and 530 (MCL 206.522 and 206.530), section
522 as amended by 2015 PA 179 and section 530 as amended by 2011 PA
38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 522. (1) The amount of a claim made ~~pursuant to~~**under**
- 2 this chapter ~~shall be~~**is** determined as follows:
- 3 (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.~~ **tax year.**

(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.~~ **tax year.**

(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.~~ **tax year.**

(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

1 88% of the difference between the property taxes on the homestead
2 or the credit for rental of the homestead for the tax year and ~~3.5%~~
3 ~~of total household resources for tax years before the 2018 tax year~~
4 ~~or 3.2% of total household resources for the 2018 tax year and each~~
5 ~~tax year after 2018.~~ **tax year.**

6 (v) For a claimant with total household resources of more than
7 \$24,000.00 and less than or equal to \$25,000.00, an amount equal to
8 84% of the difference between the property taxes on the homestead
9 or the credit for rental of the homestead for the tax year and ~~3.5%~~
10 ~~of total household resources for tax years before the 2018 tax year~~
11 ~~or 3.2% of total household resources for the 2018 tax year and each~~
12 ~~tax year after 2018.~~ **tax year.**

13 (vi) For a claimant with total household resources of more than
14 \$25,000.00 and less than or equal to \$26,000.00, an amount equal to
15 80% of the difference between the property taxes on the homestead
16 or the credit for rental of the homestead for the tax year and ~~3.5%~~
17 ~~of total household resources for tax years before the 2018 tax year~~
18 ~~or 3.2% of total household resources for the 2018 tax year and each~~
19 ~~tax year after 2018.~~ **tax year.**

20 (vii) For a claimant with total household resources of more
21 than \$26,000.00 and less than or equal to \$27,000.00, an amount
22 equal to 76% of the difference between the property taxes on the
23 homestead or the credit for rental of the homestead for the tax
24 year and ~~3.5% of total household resources for tax years before the~~
25 ~~2018 tax year or 3.2% of total household resources for the 2018 tax~~
26 ~~year and each tax year after 2018.~~ **tax year.**

27 (viii) For a claimant with total household resources of more
28 than \$27,000.00 and less than or equal to \$28,000.00, an amount
29 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. **tax year.**

(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. **tax year.**

(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. **tax year.**

(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. **tax year.**

(c) A claimant who is a senior citizen with total household resources of \$21,000.00 or less, ~~or who is~~ a paraplegic, hemiplegic, or quadriplegic, ~~and for tax years that begin after December 31, 1999, a claimant~~ **or** 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

1 leases or rents a homestead, divide ~~20% of the total annual rent~~
2 ~~paid for tax years before the 2018 tax year or~~ 23% of the total
3 annual rent paid for ~~tax years after the 2017~~ **the** tax year on the
4 property by the property tax rate on the property.

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

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

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

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

15 (f) **Except as otherwise provided under this subdivision, for**
16 **tax years that begin on and after January 1, 2026, a claimant who**
17 **is a disabled veteran or a widow or widower of a disabled veteran**
18 **who leases or rents a homestead is entitled to a credit against the**
19 **state income tax liability under this part equal to 23% of the**
20 **gross rent paid during the tax year, or if that homestead is**
21 **subject to a service charge in lieu of ad valorem taxes as provided**
22 **by section 15a of the state housing development authority act of**
23 **1966, 1966 PA 346, MCL 125.1415a, equal to 10% of the gross rent**
24 **paid during the tax year. However, if the claimant has**
25 **documentation that the claimant's homestead is subject to a service**
26 **charge of more than 10%, the claimant is entitled to a credit equal**
27 **to that higher percentage of the gross rent paid during the tax**
28 **year.**

29 (2) A ~~person~~ **claimant** 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~~ **spouses** filing a joint return are blind, then each ~~shall be~~ **is** considered a claimant.

(4) As used in this section, "totally and permanently disabled" means disability as defined in section ~~216 of title II~~ **416** 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~~ **must** 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~~ **must** 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~~ **324.36116, must** not exceed

1 the total property tax due and payable by the claimant in that
 2 year. The amount by which the credit exceeds the property tax due
 3 and payable ~~shall~~**must** be deducted from the credit claimed under
 4 part 361 of the natural resources and environmental protection act,
 5 1994 PA 451, MCL 324.36101 to ~~324.36117~~**.324.36116**.

6 Sec. 530. (1) The department may require reasonable proof from
 7 the claimant in support of rent paid, property taxes paid, total
 8 household resources, size and nature of the property claimed as a
 9 homestead, **percentage of service charge claimed if higher than 10%**,
 10 or any other information required for the administration of this
 11 chapter.

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

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

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

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

1 Enacting section 1. This amendatory act does not take effect
2 unless Senate Bill No. ____ (request no. S00708'25) or House Bill
3 No. 5275(request no. H00708'25) of the 103rd Legislature is enacted
4 into law.