

Legislative Analysis



PRINCIPAL RESIDENCE EXEMPTION FOR ACTIVE DUTY MILITARY PERSONNEL

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House Bill 4119

Sponsor: Rep. Daniel Acciavatti

Committee: Tax Policy

Complete to 4-25-06

A SUMMARY OF HOUSE BILL 4119 AS INTRODUCED 2-1-05

House Bill 4119 would amend the General Property Tax Act to allow an individual called into active duty in the military to continue to claim a principal residence exemption while absent from the principal residence due to active military duty. The individual would have to file the principal residence affidavit as required under the act and could not claim the exemption for other property. The bill provides that an individual who leases all or a portion of a principal residence while on active military duty may continue to claim the exemption.

MCL 211.7cc

FISCAL IMPACT:

The bill would have no direct impact on state revenues, although it would indirectly affect the School Aid Fund (SAF). If locals collect less via the 18-mill levy by virtue of expanding the provisions to qualify for the principal residence exemption, less revenue will be collected at the local level to provide for K-12 education, which would then have to be offset by the SAF. To the extent that there is an impact, it should be very small. Currently, there are about 800 reservists and Army and Air National Guard members called into active duty.

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