

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.7b Exemption of real property used and owned as homestead by disabled veteran or surviving spouse; filing and inspection of application; cancellation of taxes; local taxing unit to bear loss; proration of exemption for partial year; definitions.

Sec. 7b. (1) Real property used and owned as a homestead by either of the following individuals is exempt from the collection of taxes under this act:

(a) A disabled veteran.

(b) A surviving spouse of a disabled veteran who, immediately before death, was eligible for the exemption under this section. An exemption under this subdivision continues as long as the surviving spouse does not remarry, and the exemption applies to any property used and owned as a homestead by the surviving spouse, including homestead property acquired after the decedent's death.

(2) To obtain the exemption, an individual described in subsection (1)(a) or (b), or the individual's legal designee, must file an application, in a form and manner prescribed by the state tax commission, showing the facts required by this section and a description of the real property with the assessing officer for the local assessing unit after January 1 and before December 31 of the calendar year for which the exemption is claimed. The application when filed is open to inspection. The taxes subject to collection under this act shall be canceled for any year in which an individual described in subsection (1)(a) or (b) who is eligible for the exemption under this section has acquired title to real property exempt under this section. Upon granting the exemption under this section, each local taxing unit shall bear the loss of its portion of the taxes upon which the exemption has been granted. An exemption granted under this section as to taxes levied on or after January 1, 2025 remains in effect, without subsequent reapplication, until it is rescinded by the individual who was granted the exemption or is denied by the assessor, as provided in section 7c.

(3) An exemption once granted applies to all property taxes for the current tax year that have been paid by the individual who qualified for the exemption under subsection (1)(a) or (b) and all property taxes for the current tax year that would have been owed by that individual if the property was not exempt. If the individual who qualified for the exemption under subsection (1)(a) or (b) does not use and own the property as a homestead for the entire tax year, the exemption must be prorated under 1 of the following methods:

(a) Based on the closing or other purchase documents, if any, executed by or on behalf of the individual who qualified for the exemption under subsection (1)(a) or (b). That individual shall provide a copy of the closing or other purchase documents with the application claiming the exemption. The local treasurer shall use the closing or other purchase documents when calculating the amount of taxes to be exempted. There must be no refund of any property taxes not levied in the current tax year paid pursuant to the closing or other purchase documents to the seller by the individual who qualified for the exemption under subsection (1)(a) or (b).

(b) If closing or other purchase documents are not provided for the proration under subdivision (a), based on a proration under which the local treasurer calculates the amount of property taxes levied in the current tax year to be exempted by dividing the total property taxes levied in the year by 365 and then multiplying that number by the number of days the individual will use and own the property as a homestead.

(c) Based on a proration that takes into account the effective date of any removal of the exemption, which the assessor shall designate as the date of the relevant conveyance or disposition. Using that date, the local treasurer shall calculate the amount of property taxes levied in the current tax year to be exempted by dividing the total property taxes levied in the year by 365 and then multiplying that number by the number of days the individual, while qualified for the exemption, used and owned the property as a homestead.

(4) As used in this section:

(a) "Disabled veteran" means a veteran who is a resident of this state and who meets 1 of the following criteria:

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

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

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

(b) "Own" or "owned" means 1 of the following:

(i) For an individual described in subsection (1)(a), legal title to the property is held solely by that individual or jointly by that individual and that individual's spouse.

(ii) For an individual described in subsection (1)(b), legal title to the property is held solely by that individual.

(c) "Veteran" means an individual who served in the United States Armed Forces, including the reserve components, and was discharged or released under honorable conditions.

History: Add. 1954, Act 179, Imd. Eff. May 5, 1954;—Am. 1978, Act 261, Imd. Eff. June 28, 1978;—Am. 2013, Act 161, Imd. Eff. Nov. 12, 2013;—Am. 2023, Act 150, Imd. Eff. Oct. 19, 2023.

Popular name: Act 206

Compiler's note: Enacting section 1 of Act 161 of 2013 provides:

"Enacting section 1. This amendatory act shall be known and may be cited as the "Dannie Lee Barnes disabled veteran property tax relief act"."