

**SUBSTITUTE FOR
SENATE BILL NO. 784**

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~~
8 ~~designee with the supervisor or other assessing officer during the~~
9 ~~period beginning with the tax day for each year and ending at the~~



~~1 time of the final adjournment of the local board of review. The
2 affidavit when filed shall be open to inspection. The county
3 treasurer shall cancel taxes subject to collection under this act
4 for any year in which a disabled veteran eligible for the exemption
5 under this section has acquired title to real property exempt under
6 this section. Upon granting the exemption under this section, each
7 local taxing unit shall bear the loss of its portion of the taxes
8 upon which the exemption has been granted.~~

~~9 (2) If a disabled veteran who is otherwise eligible for the
10 exemption under this section dies, either before or after the
11 exemption under this section is granted, the exemption shall remain
12 available to or shall continue for his or her unremarried surviving
13 spouse. The surviving spouse shall comply with the requirements of
14 subsection (1) and shall indicate on the affidavit that he or she
15 is the surviving spouse of a disabled veteran entitled to the
16 exemption under this section. The exemption shall continue as long
17 as the surviving spouse remains unremarried.~~

~~18 (3) As used in this section, "disabled veteran" means a person
19 who is a resident of this state and who meets 1 of the following
20 criteria:~~

~~21 (a) Has been determined by the United States department of
22 veterans affairs to be permanently and totally disabled as a result
23 of military service and entitled to veterans' benefits at the 100%
24 rate.~~

~~25 (b) Has a certificate from the United States veterans'
26 administration, or its successors, certifying that he or she is
27 receiving or has received pecuniary assistance due to disability
28 for specially adapted housing.~~

~~29 (c) Has been rated by the United States department of veterans~~



1 ~~affairs as individually unemployable.~~

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

13 (a) A description of the property for which the credit is
14 claimed.

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

17 (c) A statement that the applicant is a disabled veteran or
18 the widow or widower of a disabled veteran.

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

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

25 (f) Supporting documentation for the information described in
26 this subsection as required by the local tax collecting unit
27 pursuant to guidelines provided by the department of treasury. For
28 purposes of documentation in support of the statement required in
29 subdivision (c), if the disability status of a veteran is



1 established by a disability rating provided in writing by the
 2 United States Department of Veterans Affairs prior to the year in
 3 which the affidavit is filed, the affidavit must include a
 4 statement that the disability rating is the veteran's most recent
 5 disability rating and has not changed since it was initially
 6 provided.

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

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

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

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

20 (ii) This state rejects the claim for the credit under section
 21 521 of the income tax act of 1967, 1967 PA 281, MCL 206.521.

22 (b) Before February 1 of the year immediately succeeding the
 23 calendar year in which the affidavit was filed, all of the
 24 following:

25 (i) Provide the department of treasury with a copy of the
 26 affidavit.

27 (ii) Provide the department of treasury with the information
 28 necessary to determine the amount of the property taxes deferred on
 29 the applicant's homestead for the calendar year for which the



1 affidavit was filed and the credit is being claimed.

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

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

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

26 (6) Payments made by this state under section 521 of the
27 income tax act of 1967, 1967 PA 281, MCL 206.521, for property
28 taxes collected under this act are considered taxes paid by the
29 disabled veteran or the widow or widower of a disabled veteran.



1 (7) As used in this section:

2 (a) "Disabled veteran" means a veteran who meets 1 of the
3 following criteria:

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

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

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

14 (b) "Veteran" means an individual who served in the Armed
15 Forces of the United States and who was discharged or released from
16 his or her service with an honorable or general discharge.

17 (c) "Widow or widower of a disabled veteran" means the
18 unmarried surviving spouse of a disabled veteran who was eligible
19 for 1 of the following when he or she died:

20 (i) If the death occurred before December 31, 2022, the
21 exemption provided in this section before December 31, 2022,
22 whether or not the exemption had previously been granted to the
23 decedent.

24 (ii) If the death occurred on or after December 31, 2022, the
25 homestead credit provided in section 521 of the income tax act of
26 1967, 1967 PA 281, MCL 206.521, on and after December 31, 2022,
27 whether or not the credit had previously been granted to the
28 decedent.

29 Enacting section 1. This amendatory act takes effect December



1 31, 2022.

2 Enacting section 2. This amendatory act does not take effect
3 unless Senate Bill No. 783 of the 101st Legislature is enacted into
4 law.

