

# Legislative Analysis

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## **PRINCIPAL RESIDENCE EXEMPTION: ALLOW 5-YEAR ABSENCE FOR HEALTH CARE**

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**House Bill 4363**

**Sponsor: Rep. Rick Shaffer**

**Committee: Tax Policy**

**Complete to 2-19-08**

### **A SUMMARY OF HOUSE BILL 4363 AS INTRODUCED 3-1-07**

The bill would amend the General Property Tax Act to allow a person to maintain a principal residence exemption while absent from the home in order to receive prolonged health care, with a limit of five years on the absence.

The principal residence exemption provides an exemption from local school operating taxes for owner-occupied homes. The bill would provide a definition of "occupied" that allows a person (1) to reside in a principal residence as an owner or (2) to possess or control a principal residence while absent (for up to five years) to receive prolonged health care.

MCL 211.7cc

### **FISCAL IMPACT:**

As written, the bill would have no direct impact on state revenue, but could require an increase in state expenditures to local schools to the extent that the bill reduces revenue collected at the local level that is earmarked to local schools.

Because the School Aid Fund (SAF) provides the difference between the amount of revenue collected for schools and the foundation allowance, the SAF would have to offset this loss of revenue.

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