

MICHIGAN PROPERTY TAXES 2016



As Proposal A also includes uniformity of Equalization,

one sale does not make a market

The Assessor and or the Board of Review cannot "chase a sale"

STC Bulletin 19 of 1997.



RATE OF INFLATION (cpi)
n 2016, your taxable will increase by 1.003% how will that effect your taxes?

If your 2015 Taxable was \$51,119 your 2016 taxable will be \$51,272

Your taxes?

For comparison we will use the same millage rate, 34.798 mills.

In 2015 with a taxable of 51,119 your taxes are \$1,778.84

In 2016 with a taxable of 51,272 your taxes will be \$1,784.16

Increase of \$5.32

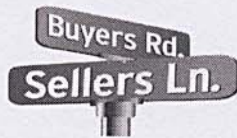


Increase or decrease to either Taxable and/or Assessed can occur when there is an alteration to the property. (New construction, addition or demolition all being examples of an alteration.)

Going all the way back to 1994, and understanding the terms.

Proposal A was adopted by a vote of the State electorates on March 15, 1994. As it was passed, it amended the Michigan Constitution. The key changes that effect how your taxes are calculated are as follows:

Assessed Value, by order of law, should represent 50% of your properties usual true cash value, by equalization. Your property value and values of like properties around you change by use of sales studies.



Uncap, when a property transfers ownership, as transfer is defined by law, an uncapping occurs. If purchased in 2015, it will be uncapped for 2016, causing the taxable to become the same as the assessed.. **Example:** (34.798 mills) 2015 AV \$79,000.00
2015 Taxable \$51,119.00 (taxes 2015? \$1,778.84)
2016 AV \$79,500.00 2016 Taxable \$79,500.00
(taxes in 2016? \$2,766.44) (0% PRE in 2016 \$4,197.44)



Transfers of ownership changes: Beginning December 31, 2014 a transfer of residential real property will not be a transfer of ownership, if the transferor and transferee are related by blood or affinity to the first degree and the use of the property does not change. Verification of relation may be requested.

Exemptions: Poverty Exemption—Boards of Reviews accept applications for Poverty Exemption. Interested parties should contact their Supervisor for an application. Applicants must meet the poverty income guidelines, and asset test as required by law.
Veterans Exemption— Applicants must file a 5107 STC Affidavit **annually** with the Board of Review. They must provide documentation from the U S Department of Veterans Affairs to demonstrate eligibility.

Taxable Value, is the number that your taxes are calculated on. It is last years Taxable, multiplied by the Consumers Price Index (CPI), also known as Rate of Inflation, or 5%, whichever is less, adding/reducing by changes, unless there is a transfer of ownership.

CPI for 2016 is 1.003%

Principal Residence Exemption, (PRE), formerly known as Homestead. The place you occupy as your permanent home and contiguous parcels that qualify. Occupy means you intend to return whenever you are away. It should be the address on your drivers license and where you register to vote.



See also:
Conditional Rescind
Active Military PRE
And
Agricultural—PA 260

