



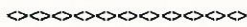
UNDERSTANDING PROPERTY TAXES, A BALANCED SYSTEM

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

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.



In 2015, your taxable will increase by 1.6% how will that effect your taxes?

If your 2014 Taxable was \$50,314 your 2015 taxable will be \$51,119

Your taxes?

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

In 2014 with a taxable of 50,314 your taxes are \$1,750.83

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

Increase of \$28.01



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.)

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.



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 2015 is 1.6%.

Uncap, when a property transfers ownership, as transfer is defined by law, an uncapping occurs. If purchased in 2014, it will be uncapped for 2015, causing the taxable to become the same as the assessed.. **Example:** (34.798 mills) 2014 AV \$79,000.00
2014 Taxable \$51,314.00 (taxes 2014? \$1,785.62)
2015 AV \$79,500.00 2015 Taxable \$79,500.00
(taxes in 2015? \$2,766.44) (0% PRE in 2015 \$4,197.44)

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 for
Agricultural—PA 260



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.