

Browsers that can not handle javascript will not be able to access some features of this site.

- Property Tax
 - > Forms and Instructions
 - > Property Tax Reports
 - > **Homestead Property Tax Credit**
 - > Principal Residence Exemption
 - > Property Tax Estimator
 - > State Education Tax
 - > Property Tax Deferment
 - > Property Tax Exemptions
 - > Property Tax Forfeiture and Foreclosure

Homestead Property Tax Credit Information

Service Fee / Pilot (Payment in lieu of taxes) Housing

Why is the amount of my credit different from what I expected?
Before calling or writing, we suggest you use the checklist that best fits your situation.
[For Homeowners Checklist](#) [For Renters Checklist](#)

What is the Homestead Property Tax Credit?

Michigan's property tax credit is a way the State of Michigan helps you pay some of your property taxes if you are a qualified Michigan homeowner or renter. You should complete the Property Tax Credit Claim form (MI-1040CR) to see if you qualify for the credit.

The credit, for most people, is based on a comparison between household income and property taxes. Homeowners pay property taxes directly and renters pay them indirectly with their rent.

[Checklist For Determining Household Income](#)

The credit is designed to give the greatest property tax relief to senior citizens, disabled or blind persons and disabled veterans as well as the surviving spouse of a veteran. Michigan residents who are not in these groups may also qualify for the credit.

What is a "Homestead"?

Your homestead is the place where you have your permanent home. It is the place to which you plan to return whenever you go away. You can only have one homestead at a time and you must own/rent and occupy the dwelling. Your homestead can be a rented apartment or a mobile home lot in a mobile home park. Cottages and second homes, property you own and rent/lease to others does not qualify as a homestead. College dormitories do not qualify as homesteads.

Who qualifies for a Homestead Property Tax Credit?

- You may claim a property tax credit if **all** of the following apply:
- Your homestead is in Michigan
 - You were a resident of Michigan for at least six months during the year.
 - You own/rent and occupy a Michigan homestead on which property taxes were levied.
 - Your household income is less than \$82,650

[Checklist For Determining Household Income](#)

[Checklist for Preparing a Homestead Property Tax Credit](#)

Sample Property Tax Statement - Review the sample statement to understand where to find the information you need. [Sample Property Tax Statement](#)

Frequently Used Homestead Property Tax Forms and Instructions

- [MI-1040CR](#)
- [MI-1040CR Instructions](#)
- [MI-1040CR-2](#)
- [MI-1040CR-2 Instructions](#)
- [Form 2368 - Homeowner's Principal Residence Exemption Affidavit](#)
- [School District Codes](#)
- [Application for Deferment of Summer Taxes and Special Assessments](#)

How do I file a Homestead Property Tax Credit (MI-1040CR)?

If you are not required to file a Michigan Income Tax return (MI-1040), you can file your Homestead

Property Tax Credit form (MI-1040CR) as soon as you know what your income was for the year. If you are filing a Michigan Income Tax return (MI-1040), submit the MI-1040CR/Homestead Property Tax Credit form with your MI-1040. The due date for filing a Michigan Income Tax return is April 15.

Most people should file the MI-1040CR. If you are blind and own your own homestead or are in the active military or an eligible veteran or the surviving spouse of a veteran, complete both the MI-1040CR and the MI-1040CR-2, Homestead Property Tax Credit Claim for Veterans and Blind People. Use the form that gives you the larger refund. If you are blind and rent, you cannot use the MI-1040CR-2.

What is Household Income?

Household income includes all income received by **all** adult household members during the year, including income that might be exempt from federal adjusted gross income. For a complete listing of income sources to include in HHI, see [Income and Deductible Items](#)

Checklist For Determining Household Income

Included in HHI (partial list)	Not Included in HHI (partial list)
<ul style="list-style-type: none">• Wages, commissions or salary• Interest• Military wages or retirement• Pensions or annuities• Alimony• Social Security (including Social Security received for a minor child), SSI or Railroad Retirement benefits• Child support and foster care payments• Gambling (including Bingo) winnings more than \$300• Workers Compensation• Disability and pension benefits• Public assistance benefits received• Reimbursement from dependent care or medical care spending accounts.• Gifts of more than \$300 in cash, merchandise or expenses paid• Vendor payments for shelter, heat and other utilities.• Tax exempt gain on the sale of your residence	<ul style="list-style-type: none">• Income of a minor child (Exception - Social Security paid to parent or guardian of minor child must be included)• Refunds of state and local taxes• Homestead Property Tax credit• Chore services received• Energy assistance grants or tax credit• Gambling losses (unless a professional gambler)• Inheritance or life insurance benefits from a spouse• Medicare payments• Food Stamps and/or surplus foods

What Are Qualified Health Insurance Premiums?

Some qualified paid health insurance premiums may be deducted from household income to compute the homestead property tax and other credits allowed on the Michigan income tax return.

Qualified Health Insurance Premiums

Special Situations

For those who received Family Independence Program (FIP) Assistance From the State of Michigan or other public assistance, you may be eligible to claim a home heating credit if you owned or rented a homestead in 2009. If you owned or rented only part of the year, you must prorate your credit. [See instructions for a part-year owner or renter on page 5 of the MI-1040CR-7.](#)

If you receive FIP assistance, State Disability Assistance (SDA), or you are enrolled with the Department of Human Services (DHS) for direct payment, by law Treasury must send your credit directly to your heat provider.

If your heat is provided by DTE Energy, Consumers Energy, or SEMCO Gas, your home heating credit may be sent directly to your heat provider. (See instructions for line 43, page 8 of MI-1040-CR-7)

If, at the time you file this claim, your heating costs are included in your rent or your heat service is in someone else's name, your credit must be reduced by 50 percent. Your credit will be issued as a check, rather than an energy draft (see lines 5 and 35 of MI-1040CR-7).

View Special Situations Information

Rent Assistance - If any portion of your rent was paid on your behalf by MSHDA, or any other governmental agency, you are only allowed to claim the portion of your rent that you actually paid. Do not claim any amount that was paid on your behalf by MSHDA or any other governmental agency.

Moved during the year - If you moved during the year and you rented, use rent from both

residences to determine the total amount of rent paid. The combined rent should not be for more than 12 months. If you bought or sold your home, you must prorate your taxes between the locations. See the instructions for the MI-1040CR for more specifics.

Mobile Home Park Resident - You may claim \$3 per month (12 months x \$3 = \$36) for a total of \$36 and 20% of the yearly rent amount less the \$36 (total yearly rent - \$36 = lot rental without property tax; x 0.20) for the total amount. If you paid additional taxes on attached buildings (garage, tool shed, etc.), then you may also claim that amount.

Public Housing - If the owner does not pay property tax or a service fee, you are not eligible to claim a property tax credit and a credit will not be issued.

Service Fee/Pilot (payment in lieu of taxes) Housing - a program where there is an agreement between a municipality and a rental property owner (private or public) to pay a service fee instead of property taxes. You can find out if a property is subject to Service Fee/Pilot housing by contacting the landlord/management company. Often, the Service Fee/Pilot Housing is low income or senior citizen housing that can include apartment occupancy or the rental of a single family home.

Important Note: It is the renter's responsibility to determine if the rental property is Service Fee/Pilot Housing before claiming a credit. Service fees are typically less than property taxes. The Income Tax Act provides that a renter living in Service Fee housing must calculate the property tax credit at 10%. [FAQ's for Service Fee/Pilot Housing](#)

Alternate Property Tax Credit for Renters Age 65 or Older: An alternate credit is available only to renters age 65 or older whose rent is more than 40 percent of their household income. To calculate the alternate credit, subtract 40 percent of your household income from the total rent paid for the year. Renters who qualify for the alternate credit are encouraged to calculate the credit using both the standard and alternate methods to determine which gives them the larger credit. The larger credit should then be claimed. To determine if an individual qualifies for the alternate credit refer to worksheet 6 in the [Michigan 1040 Individual Income Tax booklet](#)

Important Note: If your rental property is considered Service Fee/Pilot Housing you may not use 20% of your rent when calculating the Homestead Property Tax Credit. You may only use the percentage of your rent as property taxes that the landlord/management company tells you they are paying as a service fee, up to a maximum of 10%, when calculating the credit.

Nursing Home, Home for the Aged and Adult Foster Care - If the facility pays local property taxes, you may claim your portion of those taxes for credit. You may not claim rent or monthly fees for the property tax credit amount. If both you and your spouse live in the facility, add your shares together.

If one spouse lives in a nursing home or foster care home *and* the other spouse maintains a home, you may file a joint credit claim. Combine the tax for the homestead and the share of the facility's property tax to compute your claim.

If you are single and maintain a homestead (that is not rented to someone else) while living in a nursing home or adult care facility, you may claim *either* your homestead or your share of the facility's property tax, but not both. Use the one that gives you the larger credit.

Cooperative Housing - Ask to see a statement from the co-op giving the amount of taxes or the percentage of your monthly payment that is considered tax on your unit. Use your share of the property taxes on the building and 20% of the rent paid if the co-op is on leased land.

Other Helpful Information

Principal Residence Exemption information - allows homeowners an exemption from their local School Operating Millage. Homeowners must file for an exemption and this link will provide additional information on the exemption process. [Homeowner's Principal Residence Exemption](#)

Home Heating Credit information - The Home Heating Credit (HHC) is designed to assist low income families living in Michigan with the cost of heating their homes. It is federally funded and administered by several State of Michigan and federal agencies. [Home Heating Credit](#)

How to Choose a Tax Preparer Who's Right for You - Need assistance in completing your forms? You can hire a professional to prepare your taxes or you might qualify for free (or low fee) tax preparation services. [Choosing a Tax Preparer](#)