



## Property Tax Deferment for Seniors

Real Property taxes are sent out in early July and December of each year. Beginning in 2005, county property taxes were shifted to a summer levy. This was implemented gradually over a period of 3 years so that by the summer of 2007, the full amount of the county portion of the taxes was included on the summer tax bill. This has resulted in a much larger summer tax bill. To seniors used to receiving a Michigan Property Tax Credit in the beginning of the following year to help them with the payment of their real property taxes, the change can cause a budgeting problem. With a larger part of the taxes now due with the summer bill, some people may not be able to pay these until months later, resulting in interest and a penalty. If you are in this situation, you need to know that the General Property Tax Act provides that certain taxpayers are allowed to defer the payment of their Summer taxes until the following February 15 with no penalty or interest.

This should allow enough time for a senior to file for and receive the credit and use it to help pay the taxes for the whole year. The deferment is only applicable for taxes on real property that is used for a person's residence.

Persons allowed the deferment must fill out Michigan Department of Treasury Form 471, *Application for Deferment of Summer Taxes*. To qualify the taxpayer must establish a household income of \$40,000 or less for the preceding calendar year and is in one of the following categories:

- 62 years of age or older, including the unmarried surviving spouse of a person who was 62 years of age or older at the time of death
- Paraplegic or Quadriplegic
- Eligible Serviceperson/Veteran or Surviving Spouse
- Blind, or
- Totally and Permanently Disabled.

These categories are specifically defined in the Income Tax Act of 1967.

If you have questions about them, you should contact your local Treasurer or the Michigan Department of Treasury. If your application contains any misleading or false statements, you as the property owner may be subject to penalties and late payments on the taxes deferred. The deferment is also available to taxpayers with limited income who use their property for agricultural purposes. The term "household income" is defined differently

than “income” for purposes of what is taxable when you fill out your income tax return. If in doubt about whether you are qualified for the deferment because of your income, contact the Michigan Department of Treasury.

The *Application for Deferment of Summer Taxes* must be filed by September 15 or the date your summer taxes are due, whichever is later. It is to be filed with the Treasurer of your city, village or township. In some cases the local Treasurer may require additional documentation to verify your claim.

The Legal Hotline for Michigan Seniors answers questions on most areas of the law, and although our attorneys are not experts in the area of taxation, we are often able to answer common questions having to do with various tax matters. You can make an appointment to have an attorney call you to discuss your questions by calling (800) 347-5297, weekdays, 9-5PM. All services are free.