

State Tax Commission December 13, 2010 Tip
Topic: Principal Residence Exemptions



Dear STaCy,

I need some advice. We have a situation where a woman owned and occupied her home as of December 31, 2009 and had a 100% PRE. She died on January 10, 2010. It has been my understanding that if the property qualified for the PRE as of 12/31/2009 that the exemption would remain on the property for the entire 2010 tax year. The assessor or board of review removed the PRE sometime during 2010 and the 2010 tax bills reflect 0% PRE. Is this correct?

Thanks,
Harry Habitation

Dear Mr. Habitation:

You are correct. A homeowner would be eligible for the PRE for the entire year 2010 if she/he owned and occupied the property as a principal residence some time between January 1, 2010 and May 1, 2010. Upon his or her death, the personal representative of the estate should rescind the PRE by filing Form 2602 with the local assessor since they no longer owned or occupied the property as a principal residence. The PRE would remain on the property for the remainder of the year 2010. The local assessor would remove the PRE on December 31, 2010 and the 2011 tax roll should reflect that change.

For further PRE information, please visit www.michigan.gov/PRE (not a live link).

Sincerely,
STaCy