

# Homestead Property Tax Credit Claim (MI-1040CR) – ADJUSTMENT or DENIAL RENTER’S CHECKLIST

Prior to sending additional information for review, we ask that you first verify the following information.

✓ Rental Verification

| If You...                    | <b>Information / Documents to Send When Disputing Adjustments</b>   |
|------------------------------|---|
| Rented the Full Year         | You may claim all 12 months of rent from the occupied unit. Send a signed copy of all leases for the year in question.  |
| Rented a Portion of the Year | You may only claim the rent for the part of the year that you actually occupied the unit(s). You will need to complete Part 4 on page 3 of the MI-1040CR to determine how much rent you can claim. Send a signed copy of all leases for the year in question. |
| Moved During the Year        | Summer/Winter property tax statements and/or lease agreement(s)   |

✓ Was all taxable and nontaxable income included in total household income?

- Yes, continue to next topic.
- No, recalculate your homestead property tax credit using the correct amount of income. If you still disagree with the adjustments made, submit documentation to verify your income and a copy of your lease agreement(s), for the year in question, to Michigan Department of Treasury for review. Be sure to include a daytime phone number.

See the chart below to determine if some income was omitted on the original return and what information to send for documenting all sources of income.

**Income includes, but is not limited to the following:**

| Income Type  | Supporting Documentation   |
|--|--|
| Wages, salaries, tips, etc.  | W-2(s) and/or 1099(s)  |
| Business Income (from Federal Schedule C, C-EZ, E or F)  | Business records used to prepare your return and/or 1099 payment document  |
| Interest and/or dividends  | 1099-INT, 1099-DIV, etc...   |
| Capital gains  | U.S. Schedule D  |
| Social Security, Supplemental Security Income (SSI) and/or Retirement, Survivors, and Disability Insurance (RSDI) payments | Statement from the Social Security Administration indicating amounts for yourself, your spouse and any claimed dependents. |
| Pension benefits (including nontaxable pensions)   | 1099-R   |
| Railroad retirement benefits   | 1099-R   |
| Veterans' benefits   | Letter from the regional Veteran's affairs office  |
| Workers' compensation  | 1099-R and/or W-2  |
| Child Support  | Statement showing amount of support received for the year  |
| Foster Care payments   | W-2, 1099, or other statement from MDHHS   |
| Adoption subsidy payments  | Annual statement   |
| Cancellation of Debt Income (CODI)   | 1099-A and/or 1099-C   |
| Nontaxable gain from sale of primary residence   | See IRS Publication 523  |
| Student grants/scholarships  | 1098-T   |
| FIP/MDHHS payments (Do not include food assistance)  | Annual statement   |

| Income Type   | Supporting Documentation   |
|---|--|
| Rent/Bills paid on your behalf  | Statement from each person who gave assistance; include the total dollar amount given for the year, name, signature, date & contact information                                    |
| Gifts of cash over \$300  | Statement from each person who gave assistance; include the total dollar amount given for the year, name, signature, date & contact information                                    |
| Personal Loans – Including loans from relatives and/or friends*               | Signed statement showing the original amount of the loan and the terms of repayment.   |
| Inheritance or proceeds of life insurance policy from                         | Statement showing amount received for the year <b>decedent other than spouse</b>   |
| Inheritance or proceeds of life insurance policy from <b>deceased spouse*</b> | Statement showing amount received for the year   |
| Food Assistance*  | Statement showing amount of assistance received for the year   |
| Credit cards and/or savings account*  | Statements from financial institution(s) indicating dates and amounts of disbursements received for the year. Statements should be from the beginning, middle and end of the year. |
| Student Loans*  | Statement from financial institution/lender indicating dates and amounts of disbursements.   |

See [Income and Deductible Items](#) for a complete list of income items.

- ✓ Was the correct amount of annual rent reported?
  - Yes, continue to next topic.
  - No, recalculate your homestead property tax credit using the correct amount of annual rent. If you still disagree with the adjustments made, submit a copy of your lease agreement(s), for the year in question, to Michigan Department of Treasury for review. Be sure to include a daytime phone number.
  
- ✓ Did you receive Family Independence Program /Michigan Department of Health and Human Services (FIP/MDHHS) benefits?
  - Yes, verify your calculations are correct. If 100% of your income is received from the MDHH, you do not qualify for a homestead property tax credit. If you received FIP/MDHHS benefits you must prorate your credit based on this income to [total household resources](#). Use [Worksheet 4](#) for FIP/MDHHS Benefits in the MI-1040 instruction book. If you still disagree with the adjustments made, submit a copy of your lease agreement(s), for the year in question, and documentation to verify your income to Michigan Department of Treasury for review. Be sure to include a daytime phone number.
  - No, continue to next topic
  
- ✓ Do you live in Service Fee Housing?
 

Service Fee Housing is 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 Housing by contacting the city/township/county office. Often, the Service Fee Housing is low income or senior citizen housing that can include apartment occupancy or the rental of a single family home.

  - Yes, complete Part 5 on page 3 of the MI-1040CR and recalculate the credit using the correct percentage of rent. Note: No matter how much rent was paid, the Income Tax Act provides that a renter living in Service Fee housing must calculate the homestead property tax credit using only 10% of rent paid.
  - No, and your adjustment letter indicates that this is the reason for the adjustment to your homestead property tax credit. Submit a copy of your lease agreements(s) and proof from the property owner or the local assessor

that taxes (not service fees) are paid for the years in question to Michigan Department of Treasury for review. Be sure to include a daytime phone number.

- ✓ Are two or more individuals contracted to pay rent?
  - If two or more individuals are contracted to pay rent and occupy the rental property, each may file a homestead property tax credit. The claim must be based only on his/her prorated share of rent paid and his/her own total household resources. Rent must be divided equally between each individual.  
Note: Any gifts of cash or expenses paid on your behalf must be included in total household resources.

If you still disagree with the adjustment, respond in writing, along with a copy of your lease agreement(s), for the year in question, and documentation to verify your income for the tax year of claim, a daytime phone number and a copy of the adjustment message/letter you received from Michigan Department of Treasury to:

Michigan Department of Treasury  
PO Box 30058  
Lansing MI 48909

Allow up to 90 days after your correspondence has been imaged onto our system for review. You will be notified in writing upon completion.

You will be notified in writing upon completion of the review.

For the status of correspondence please visit our [eServices](#) site.