

## **Supportive Housing Exemption Frequently Asked Questions (FAQ's)**

### **1. What is a supportive housing exemption?**

Certified eligible supportive housing property is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, PA 451 of 1976, MCL 380.1211.

### **2. What type of property is eligible for exemption?**

“Supportive Housing Property”, which is defined in Chapter 3B of Public Act 346 of 1966, as amended, means property that meets all of the following requirements:

- Is owned by an organization exempt under section 501(c)(3) of the internal revenue code, 26 USC 501.
- All living units are occupied by 1 or more persons each having incomes at or below 30% of the area median income and who each individually receive services for not less than 1 hour per month either directly from or contracted for by a 501(c)(3) organization, which services include, but are not limited to, mental health, substance abuse, counseling, and assistance with daily living.
- Consists of not more than 6 individual living units.

### **3. What are the first steps to apply for a supportive housing exemption?**

Those interested in applying for a supportive housing exemption must first obtain certification as a supportive housing project from the Michigan State Housing Development Authority (MSHDA). Complete the MSHDA Affidavit of Supportive Housing Certification and submit it to MSHDA for certification signatures.

Once you have obtained MSHDA certification, complete the Michigan Department of Treasury Supportive Housing Exemption Affidavit (Form 4779).

### **4. Where and when do I file the Supportive Housing Exemption Affidavit?**

File the completed Supportive Housing Exemption Affidavit, and the MSHDA Affidavit of Supportive Housing Certification, with the local tax collecting unit assessor on or before November 1.

### **5. Who approves or denies the supportive housing exemption and how am I notified?**

Upon receipt of a Supportive Housing Exemption Affidavit, the assessor shall review the application, and if requirements are met, shall exempt the supportive housing property from the collection of the tax levied by a local school district for school operating purposes until December 31 of the year in which the property is no longer supportive housing property.

If the assessor of the local tax collecting unit believes that the property for which an exemption is claimed is not supportive housing property, the assessor may deny a new or existing claim by notifying the owner and the Department of Treasury in writing of the reason for the denial.

### **6. How do I appeal the denial of a supportive housing exemption?**

Supportive Housing Exemption Denial (Form 4780) may be appealed to the State Tax Commission (STC) within 35 days after the date of the notice. To contact the STC, please call the Executive Secretary, at 517-335-3429, E-mail at [State-Tax-Commission@michigan.gov](mailto:State-Tax-Commission@michigan.gov), or standard mail to P.O. Box 30471, Lansing, MI 48909.

### **7. How do I cancel my exemption if I sell my property?**

Not more than 90 days after exempted property is no longer supportive housing property, an owner shall rescind the claim of Supportive Housing Exemption by filing Michigan Department of Treasury Request to Rescind Supportive Housing Exemption (Form 4781) with the local tax collecting unit. An owner who fails to file a rescission is subject to a penalty of \$5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of \$200.00.