

Request to Bill Seller Following a Principal Residence Exemption (PRE) Denial

Issued under authority of Public Act 206 of 1893.

Read the instructions before completing the form. This form and required documents must be submitted by the county or local treasurer (whoever is in possession of the tax roll) when requesting that the Department of Treasury bill a seller for additional taxes, interest and penalties resulting from a PRE denial where the property has been transferred to a bona fide purchaser. Incomplete forms or a failure to provide the required documentation will result in inaccurate billings or delays in processing. Use a separate form for each property tax identification number. Notify the county or local treasurer of the bonafide sale and that Form 4816 has been sent to the Department of Treasury. For more information regarding the bona fide purchaser billing process, please review the PRE guidelines at www.michigan.gov/pre.

PART 1: PROPERTY INFORMATION			
Property Tax Identification Number			
Street Address			County
Township or City Name (Check appropriate box, write in name) <input type="checkbox"/> Township <input type="checkbox"/> City			ZIP Code
PART 2: PRE DENIAL AND INTEREST INFORMATION — A copy of the denial notice must be attached.			
Who denied the PRE? <input type="checkbox"/> Department of Treasury <input type="checkbox"/> County <input type="checkbox"/> Township/City Assessor			
Date of Denial (MM/DD/YYYY)		To whom was the denial issued? (Must not be the current owner.)	
In the table below, list the denied years to be billed and the corresponding tax information.			
DENIAL YEAR	SCHOOL OPERATING MILLAGE RATE	TAXABLE VALUE	DUE DATE (Summer, Winter, Combined)
<input type="checkbox"/> \$500 Penalty as a result of a Substantially Similar Exemption in Another State			
PART 3: BILLING INFORMATION — A copy of the deed, land contract or other legally executed document transferring the property from the seller to the bona fide purchaser must be attached.			
First and last name of seller(s) to be billed. (Must not be the current owner. See instructions for details.)			
Company Name (if applicable)			
Current Mailing Address		City	State ZIP Code
Is the seller(s) to be billed the same person(s) or entity that was issued the denial notice and listed in Part 2? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If answered "no," explain here and attach any supporting documents. (It is a rare exception for the two to be different. See instructions for details.)			
PART 4: COUNTY OR LOCAL UNIT CONTACT INFORMATION			
Name of Person Who Prepared Form (Print or Type)		Title	Name of County or Local Unit
Preparer's Signature			Date
Telephone Number	E-mail Address		

Instructions for Form 4816

Request to Bill Seller Following a Principal Residence Exemption (PRE) Denial

This form must be submitted by the county or local treasurer (whoever is in possession of the tax roll) when requesting that the Department of Treasury (Treasury) bill a seller for additional taxes, interest and penalties resulting from a PRE denial where the property has been transferred to a bona fide purchaser.

Specially, Subsections 6, 8, and 11 of Michigan Compiled Laws 211.7cc state that “if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser...” The local tax collecting unit in possession of the tax roll then notifies the Treasury who “shall then assess the owner who claimed the exemption under this section for the tax, interest, and penalties accruing as a result of the denial of the claim for exemption...”

A “bona fide purchaser” is one who purchases in good faith for valuable consideration. Therefore, a person who receives property through an inheritance, foreclosure or one who receives property through a quit claim without valuable consideration, would not qualify as bona fide purchaser. If the new owner is not a bona fide purchaser, the taxes are added back to the tax roll and the purchaser is responsible for the additional taxes, interest and penalties which become a lien on the property.

In order for Treasury to process a request to bill the seller for additional taxes, interest and penalties in a bona fide purchaser situation, this form must be completed with the required documents attached. Upon review of the completed form and supporting documents, the Department will process and issue a bill, which will include additional taxes and applicable interest and penalties, to the person(s) or entity listed in Part 3.

PART 1: PROPERTY INFORMATION

All of the information in Part 1 must be provided to Treasury to process the request. Use a separate form for each property tax identification number.

PART 2: PRE DENIAL INFORMATION

A copy of the PRE denial notice relating to the property in Part 1 must be submitted with this form. The date of the denial notice must be listed on the form along with the person(s) or entity that issued the denial notice.

For each year the PRE was denied, requiring the Department to bill the seller, list the school operating millage rate, taxable value, and the due date of the school operating taxes (summer, winter, or combined summer/winter).

A \$500 Penalty will be charged when a PRE denial was a result of a substantially similar exemption, deduction, or credit in another state.

PART 3: BILLING INFORMATION

A copy of the deed, land contract or other legally executed document transferring the property from the seller to the bona fide purchaser must be submitted with this form. Each seller to be billed must be listed including a current mailing address (if the mailing address is available). If the seller is a company, the complete company name, address, and Federal Employer Identification Number (FEIN), if available, must be provided.

PART 4: COUNTY OR LOCAL UNIT CONTACT INFORMATION

Complete the contact information in the event Treasury has a question or needs clarification. The completed form and supporting documents must be mailed to the address at the bottom of the form. Failure to provide complete information or adequate supporting documentation will result in delays in processing.

If you have any questions, call the PRE Unit at 517- 335-7487 or e-mail PTE-Section@michigan.gov.