

1998 MICHIGAN

Homestead Property Tax Credit Claim for Veterans and Blind People

MI-1040CR-2



Important information for 1998 . . .



If you file a *Michigan Income Tax Return* (form MI-1040), you can also file your *Homestead Property Tax Credit Claim for Veterans and Blind People* (form MI-1040CR-2) electronically and get your refund faster. Filing electronically is the quickest filing method available. Electronic filers usually receive their refunds in seven days, compared with four to eight weeks for paper return filers. See your tax practitioner or file on-line from your home computer.

We no longer print your Social Security number on the mailing label. Instead, for security reasons, a ten-digit code number appears on the label. If you file early and use the mailing label, you will help shorten the processing time of your return. Remember, use the mailing label only if the information on it is correct.

Your property taxes are based on your millage rate times your taxable value, rather than your state equalized value. You must use your taxable value when filing for a property tax credit.

If, in 1998, you received a corrected or supplemental tax bill or a refund of property taxes paid from a previous year as a result of an adjustment to your homestead property tax exemption, you must adjust your 1998 property tax amount. Interest received or paid on the adjusted property taxes may not be claimed on line 9 of the property tax credit claim.



Please recycle this booklet.

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Web Site

Visit our Treasury web site on the Internet at:

www.treas.state.mi.us



A Note About Debts

Michigan law requires that any money owed to the state or other agencies be deducted from your credit before it is issued. This includes money owed for past due taxes, school loans, child support due the Friend of the Court, an IRS levy, money due a state agency, a court-ordered garnishment or other court orders. Taxpayers who are married, filing jointly may receive a computer-generated *Income Allocation to Non-Obligated Spouse C-4297*. Completing and filing this form may limit the portion of the refund that can be applied to a liability. If Treasury applies all or part of your refund to any of these debts, you will receive a letter of explanation.

For Help -- 1-800-487-7000

Call this number to talk to a department representative for answers to your questions about Michigan income tax and the various credit forms. Staff is available to take your call between 8 a.m. and 5 p.m. (Mon. - Fri.) year round. During tax processing season (February - April) staff is available between 7 a.m. and 7 p.m. (Mon. - Fri.). Individuals answering these toll-free lines will answer specific questions on the preparation of the income tax forms and various credit forms. **Refund status information will not be given at this number (see below).**



Deaf, hearing or speech impaired persons using a Text Telephone for the Deaf (TTY) should call 517-373-9419 for assistance. This number is reserved for persons using a TTY. Other persons calling this number will be directed to call the toll-free phone number.

If you need help completing your credit form, contact your local senior citizen center or community service agency to find out if there is a volunteer tax assistance program available. You may also want to contact your local library to see if it has a copy of the tax preparation video that was distributed to libraries throughout the state.

To Check On Your 1998 Credit -- 1-800-827-4000

Allow at least eight weeks for the processing of your 1998 credit claim before calling the Computerized Refund Information System (CRIS). You must have the primary filer's Social Security number and household income to get refund information. This number may be called 24 hours a day. CRIS will allow you to check on your refund once every seven days.

If your return is selected for review, CRIS will tell you to allow an additional eight weeks for the processing of your return.

Refunds for years prior to 1998 are processed after the 1998 returns are completed.

How To Get Forms --

Forms are also available at all Treasury offices listed on page 3. Commonly used forms are available at Michigan Secretary of State offices, many libraries, post offices and financial institutions. **Forms are also available on our web site.**

Michigan Tax Forms By Fax 517-241-8730



Call from a fax phone to have 1998 Michigan tax forms sent to your fax machine 24 hours a day/365 days a year.

Michigan Tele-Help System

1-800-827-4000



Tele-Help is an automated system of informative recordings about income tax and various credit topics. Call 1-800-827-4000 anytime and listen for the Tele-Help instructions. This number operates 24 hours every day.

Tele-Help code numbers and topics

General Income Tax Information

- 111 Where to go for help
- 121 To get a copy of your return
- 131 Refund offsets
- 141 Who must file and how to file an income tax return
- 151 Other:
 - Deceased taxpayers
 - Residency
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When You Have FINISHED

Please review your return for the following **common errors** that may delay your refund:

- using a label with incorrect information
- illegible writing
- transposing numbers in the Social Security number
- entering figures on the wrong lines
- computation errors
- omitting the taxable value of your homestead
- omitting the school district code
- failing to report total household income from all sources, both taxable and nontaxable, on the property tax credit claim form
- leaving the Family Independence Program (FIP) line blank (line 24), entering the wrong amount of FIP assistance, or entering the household income subtotal on this line
- reporting two years of property taxes or special assessments
- filing multiple returns for the same tax year.

Before you mail your claim, review it carefully and make sure it is complete.

Mail your claim to:

**Michigan Department of Treasury
Lansing, MI 48956**



If you mail your 1998 claim in the same envelope with a claim for years before 1998, your 1998 claim will be delayed.

Treasury Offices

The Treasury field offices no longer prepare tax returns. If you need help, please call the Lansing office. Forms are available at all Treasury field offices.

Main Office:

LANSING, 48922
Treasury Building
430 W. Allegan St.
1-800-827-4000 (refunds)
1-800-487-7000 (information)

Other Offices:

DETROIT, 48226
State of Michigan Plaza Building
1200 6th St., 2nd Floor, N. Tower

ESCANABA, 49829
State Office Building, Room 7
305 Ludington St.
(open 8 - 12 only)

FLINT, 48502
State Office Building, 7th Floor
125 E. Union St.
(closed 12 - 1)

GRAND RAPIDS, 49503
State Office Building, 3rd Floor
350 Ottawa St., NW

KALAMAZOO, 49005-0286
535 S. Burdick St., Ste. 197
(closed 12 - 1)

PONTIAC, 48342
100 N. Saginaw St., Upper Level

SAGINAW, 48607
State Office Building, 4th Floor
411-I E. Genesee St.
(open 8 - 12 only)

TRAVERSE CITY, 49684
701 S. Elmwood Ave., Box 14
(open 8 - 12 only)

Deaf, hearing or speech impaired persons may call 517-373-9419 (TTY).

General Information

About The Homestead Property Tax Credit (MI-1040CR-2)

This booklet is only intended as a guide to help you complete your claim; it does not take the place of the law. If you are required to file a *Michigan Income Tax Return* (form MI-1040), wait until you complete that form, then file your credit claim with it.

A *Homestead Property Tax Credit Claim for Veterans and Blind People* (form MI-1040CR-2) is included in this booklet. If you qualify based on the information below, complete this form and the *Homestead Property Tax Credit Claim* for general claimants (form MI-1040CR).

File the form that gives you the larger credit.

The request for your Social Security number(s) is authorized under USC Section 42. Social Security numbers are used by the Department of Treasury to conduct matches against benefit income provided by the Social Security Administration and other sources to verify the accuracy of the home heating and property tax credit claims filed and to deter fraudulent filing(s).

Who may claim a property tax credit

You may claim a property tax credit if ALL of these apply:

- you were a Michigan resident at least six months of 1998,
- your homestead is located in Michigan,
- you pay property taxes or rent on your Michigan homestead, and
- your income is within the qualifying limits (see “Household income limits” on this page).

You can have only **one homestead** at a time and you must be the occupant as well as the owner or renter. Your homestead can be a rented apartment or a mobile home on a lot in a mobile home park. A vacation home or income property is not considered your homestead.

Your homestead is in your state of **domicile**. Domicile is the place where you have your permanent home. It is the place you plan to return to whenever you go away. Even if you spend the winter in a southern state, your domicile is still in Michigan. College students and others whose permanent homes are not in Michigan are not Michigan residents. Domicile continues until you establish a new permanent home.

Who may file the MI-1040CR-2 form

You may file the MI-1040CR-2 if you are:

- a veteran with a service-connected disability or veteran's surviving spouse,
- a surviving spouse of a veteran deceased in service,
- a veteran of wars before World War I, a pensioned veteran, a surviving spouse of these veterans, or an active military, whose household income is less than \$7,500,
- a surviving spouse of a nondisabled or nonpensioned veteran of the Korean War, World War II and World War I whose household income is less than \$7,500,

- blind and own your homestead.

If you are blind and rent your homestead, claim your credit on form MI-1040CR as a totally and permanently disabled person.

Household income limits

Household income cannot be more than \$7,500 for some military personnel. See line 6 on the MI-1040CR-2 form for more information. If your income is over the limit for form MI-1040CR-2, you may qualify for a credit using form MI-1040CR.

Taxpayers with household income over \$82,650 are not eligible for a credit in any category. The computed credit (line 11) is reduced by 10 percent for every \$1,000 (or part of \$1,000) that household income exceeds \$73,650. If filing a part-year return, you must annualize your income to determine if the income limitation applies. See instructions for annualizing on page 9.

Property tax credit limits

If you own your home, your credit is based on the 1998 property taxes levied on your home, the taxable value of your homestead and the allowance for your filing category. See Table 1 on page 10 for your allowance. If you do not know the taxable value of your homestead, contact your local treasurer.

If you rent your home, your credit depends on how much rent you pay, an allowance for your filing category and the millage rate on the rented property. The millage rate is the total millage levied by your city or township, county and school district. If you do not know the rate, contact your local treasurer.

Your credit cannot be more than \$1,200.

When to file

If you do not have to file a Michigan income tax return (form MI-1040), you may file your credit claim as soon as you know your household income and property taxes levied in 1998. If you are required to file a Michigan income tax return, your credit claim should be attached to your tax return and filed by April 15, 1999. By law, Treasury cannot process a 1998 credit claim received after April 15, 2003.

Delaying payment of your property taxes

Senior citizens, disabled people, veterans, surviving spouses of veterans, and farmers may be able to delay paying property taxes. It depends on the county you live in and your income level. **Contact your local or county treasurer for more information about delaying payment of your property taxes.**

Credit Computation Examples

To calculate your credit, first divide the allowance from Table 1, page 10, by the taxable value of your homestead. The result is a percentage. Multiply this percentage by your property tax levied to arrive at your credit (maximum \$1,200).

Homeowner's example: You are a 90 percent disabled veteran, age 66, with household income of \$9,000. Your home has a taxable value of \$10,500 and the property tax is \$525. As a disabled veteran your taxable value allowance (TVA) from Table 1, page 10, is \$4,500. Compute the credit as follows:

$\$4,500 \text{ TVA (from Table 1)} / \$10,500 \text{ taxable value} = 42.8\% \text{ refundable (.428)}$

$\$525 \text{ property taxes} \times .428 = \$ 225 \text{ credit}$

Renter's example: The taxable value of the rented homestead is determined by multiplying your rent by 20 percent and dividing the result by the millage rate on the homestead. For example, you are a pensioned veteran and rent your home for \$395 per month. Your local assessor tells you the millage rate for your home is 56 mills (.056 or \$56 for every \$1,000 of taxable value). Compute the credit as follows:

$\$395 \text{ monthly rent} \times 12 = \$4,740 \text{ yearly rent}$

$\$4,740 \times .20 = \$948 \text{ taxes attributable to rent}$

$\$948 / .056 \text{ (millage rate)} = \$16,929 \text{ (taxable value)}$

$\$3,500 \text{ TVA (from Table 1)} / \$16,929 \text{ (taxable value)} = 20.67\% \text{ (.2067) refundable}$

$\$948 \text{ property taxes} \times .2067 = \196 credit

Reminder: Blind people who rent their homestead do not qualify for credit on form MI-1040CR-2 and should file as totally and permanently disabled persons on form MI-1040CR.

Household income

Household income is the total income (taxable and nontaxable) of both spouses or of a single person maintaining a household. It is your federal adjusted gross income (AGI), plus all income exempt or excluded from AGI. See "Married, filing separately" and "Single adults sharing a home" on page 8.

Household income does NOT include:

- stipends received by an enrolled participant in the **foster** grandparent or senior companion program pursuant to the Domestic Volunteer Service Act of 1973.
- energy assistance grants or energy assistance tax credits.
- government payments to a third party, like a doctor. However, if payment is made from money withheld from your benefit, the payment is part of household income. For example, the Family Independence Agency (FIA) may pay your rent directly to the landowner.
- money received from a government unit to repair or improve your homestead.
- surplus food.
- state and local income tax refunds and homestead property tax credits.
- chore service payments. (These payments are income to the provider but not the person receiving the service.)
- the first \$300 from gambling, bingo, lottery or prizes. For example, if you win \$500 in a church raffle, you must include \$200 of this in your household income.
- the first \$300 in gifts, cash or expenses paid on your behalf by a family member or friend.
- amounts deducted from Social Security or Railroad Retirement benefits for Medicare premiums.
- life, health and accident insurance premiums paid by your employer. However, if you pay medical insurance or Health Maintenance Organization (HMO) premiums for you or your family, you can deduct the cost from household income.

- the gain postponed on the sale of your personal residence (see instructions for line 17 on page 8).

Property taxes that can be claimed for credit

General ad valorem property taxes levied on your homestead in 1998, including collection fees up to 1 percent of the taxes, can be claimed no matter when you pay them. You may add to your 1998 taxes the amount of property taxes billed in 1998 from a corrected or supplemental tax bill. You must deduct from your 1998 property taxes any refund of property taxes received in 1998 that was a result of a corrected tax bill from a previous year.

Do not include:

- delinquent property taxes (e.g., 1997 property taxes paid in 1998),
- penalty and interest for late payment of property tax,
- delinquent water or sewer bills,
- property taxes on cottages or second homes,
- special assessments (for drains, sewers, etc.) that are not based on state equalized value or taxable value or are not applied to the entire taxing jurisdiction.

Home used for business. If you use part of your home for business you can claim the property taxes on the living area of your homestead, but not the property taxes on the portion used for your business. This applies whether or not you claim the property taxes on a federal business schedule.

Owner-occupied duplexes. When both units are equal, you are limited to 50 percent of the tax on both units. This is true even if 20 percent of the rent paid on the rental is less than 50 percent of the property taxes.

Owner-occupied income property. This section applies if you are an apartment building owner and live in one of the units, or are a single family homeowner and rent a room(s) to a tenant(s). You must do two calculations to figure the tax that can be

claimed and base your credit on the **lower** amount. The first calculation subtracts 20 percent of the rent collected from the tax eligible for credit. The second calculation reduces the tax that can be claimed for credit by the amount of tax claimed as a business deduction on your U.S. 1040.

For example, your home has an upstairs apartment that is rented to a tenant for \$395 a month. Total property taxes on your home are \$2,150. Here are the calculations:

- Step 1:** $\$395 \times 12 = \$4,740$ annual rent
 $\$4,740 \times .20 = \948 taxes attributable to the apartment
 $\$2,150$ total taxes - $\$948 = \$1,202$ taxes attributable to your homestead
- Step 2:** $\$2,150$ total taxes - $\$858$ taxes claimed as a business deduction = $\$1,292$ taxes attributable to your homestead

Your taxes that can be claimed for credit are \$1,202, the smaller of the two computations.

Farmers. You may include farmland taxes in your property tax credit claim if any of the following conditions apply:

- If your gross receipts from farming are greater than your household income, you can claim all of your farmland taxes including taxes on unoccupied farmland. (Do not include taxes on farmland that is not adjacent or contiguous to your home and that you rent or lease to another person.)
- If gross receipts from farming are less than your household income and you have lived in your home more than 10 years, you can claim the taxes on your home and the farmland adjacent and contiguous to your home.
- If gross receipts from farming are less than your household income and you have lived in your home less than 10 years, you may claim the taxes on your home and the five acres of farmland adjacent and contiguous to your home.

You may not claim rent paid for vacant farmland when computing your property tax credit claim.

Include any farmland preservation tax credit in your household income. Enter the amount of credit you received in 1998 on line 18 or include it in net farm income on line 16.

Homestead property tax credits are not included in household income. If you included this amount in your taxable farm income, subtract it from household income.

Rent that can be claimed for credit

Twenty percent of rent paid is considered property tax eligible for credit, except as explained below.

If you live in housing on which **service fees** are paid instead of taxes, 10 percent of your rent is eligible for credit. If the landowner says your tax share is less than 10 percent, use the amount the landowner gives you.

If your housing is **exempt** from property tax and no service fee is paid, you are not eligible for credit. This includes university or college-owned housing.

If your **housing costs are subsidized**, base your claim on the amount you pay. Do not include the federal subsidy amount.

If you are a **mobile home park resident**, claim the \$3 per month specific tax plus 20 percent of the balance of rent paid.

If you are a **cooperative housing corporation resident member**, claim your share of the property taxes on the building. If you are one of the few who lives in a cooperative where residents pay rent on the land where the building sets, you may also claim 20 percent of that land rent. (Do not take 20 percent of your total monthly payment.)

When you pay **room and board in one fee**, the landowner should be able to exclude the board portion of your payment and tell you the amount that goes toward your room. You may then claim 20 percent of your room rent as taxes.

You may also determine your tax to claim for credit based on square footage. For example, you pay \$750 a month for room and board. You occupy 600 square feet of a 62,000 square foot apartment building. The landowner pays \$54,000 in taxes per year.

Step 1: $600/62,000 = .0097$

Step 2: $\$54,000 \times .0097 = \524 taxes you can claim for credit

Amending your claim

Use the MI-1040X form and attach a copy of your corrected MI-1040CR-2 claim. You must do this within four years of the due date of your original income tax return.

Special Situations

If you moved in 1998

Residents who lived temporarily outside Michigan may qualify for a credit as long as Michigan remained their state of domicile. However, personal belongings and furnishings must have remained in the Michigan homestead AND the homestead must not have been rented or sublet during the temporary absence. (See the definition of domicile on page 4.)

If you bought or sold your home, you must prorate your taxes. Complete lines 31-41 of form MI-1040CR-2 to determine taxes that can be claimed for credit. Use only the taxes levied in 1998

on each Michigan homestead, then prorate those taxes based on the days of occupancy. Do not include taxes on out-of-state property.

If you married in 1998, complete lines 31-41 to prorate taxes for the period of time each spouse occupied his or her home. Complete lines 42-53 if one spouse rented part of the year. Combine each spouse's share of taxes or rent for the period of time he or she lived in separate homesteads. Then add the prorated share of taxes or rent for the time you lived together in your marital home. Write "Married in 1998" and the date of your

marriage next to line 41. This only applies to homes located in Michigan and to couples who married during 1998. If you separated or divorced during 1998, see "Separated or divorced claimants" on this page.

Part-year residents who lived in Michigan at least six months during the year may be entitled to a partial credit. You must include all income received as a Michigan resident in household income. Complete lines 31-41 to determine the taxes that apply to your Michigan homestead.

Residents of nursing homes and other adult care homes

If you are a resident of a nursing home, adult foster care home or home for the aged, that facility is considered your homestead. If the facility pays local property taxes (many do not), you may claim your portion of those taxes for credit. You may not claim rent. Ask the manager what your share is. If you would rather figure it yourself, divide the amount of property tax levied on the facility in 1998 by the number of residents the facility is licensed for. This is your share. If both you and your spouse live in the facility, add your shares together. If you lived in the facility only part of the year, multiply this amount by the portion of the year you lived at the facility. (**Exception: no credit** is allowed if your facility charges are paid directly to the facility by a government agency.)

If you maintain a homestead and your spouse lives in an adult care home, you may file a joint claim. Combine the tax for your homestead and your spouse's share of the facility's property tax to compute your claim.

If you are single and maintain a homestead (that is not rented to someone else) while living in an adult care home, you may claim either your homestead or your share of the facility's property tax, but not both. Use the one that gives you the larger credit.

Deceased claimants

The estate of a taxpayer who died in 1998 (or 1999 before filing a claim) may be entitled to a credit for 1998. The surviving spouse or personal representative can claim this credit.

The **surviving spouse** may file a joint claim with the deceased. Enter both names and Social Security numbers on the form, and write "deceased" after the decedent's name. Sign the return and write "filing as surviving spouse" and the decedent's date of death in the decedent's signature block. Include the decedent's income in household income.

The **personal representative** claiming a credit must prorate taxes to the date of death. Complete lines 33-41 to help prorate the property taxes. Annualize household income. (See the instructions for line 30 on page 9.) Attach a copy of the tax bills or rent receipts. Also submit a copy of the federal *Statement of Person Claiming Refund Due a Deceased Taxpayer* (form 1310) or a *Michigan Claim for Refund Due a Deceased Taxpayer* (form MI-1310).

Enter on line 1 of the decedent's claim the names of the decedent and personal representative in the following order:

Joe Lane, Estate of
Mary Jones, Rep.

Use the decedent's Social Security number and the personal representative's address. Enter the date of death in the signature block.

Separated or divorced claimants

If you are separated and file a joint return with your spouse, your claim must be based on the tax or rent for 12 months on only one home. The household income must be the combined income of both spouses for the entire year.

If you file separate federal and state returns and maintain separate homesteads, you may each claim a credit. Each credit is based on the individual taxes or rent and individual income for each person.

If you separated or divorced in 1998, figure your credit based on the taxes you paid together before your separation plus whatever taxes you paid individually after your separation. Attach a schedule showing your computation. The brochure *Homestead Property Tax Credit for Separated or Divorced Taxpayers* (form C-4354) contains a worksheet to help you compute your credit.

Example: Bob and Susan separated on October 2, 1998. The annual taxes on the home they owned were \$1,860. Susan continued to live in the home, and Bob moved to an apartment on October 2 and paid \$350 per month rent for the rest of the year. Susan earned \$20,000 and Bob earned \$25,000. They lived together for 274 days.

Step 1: Determine the prorated income for each spouse for the 274 days they lived together. Divide each spouse's total income by 365 days then multiply that figure by 274.

Susan $(\$20,000/365) \times 274 = \$15,014$
Bob $(\$25,000/365) \times 274 = \$18,768$

Step 2: Add both prorated incomes together to determine the total income for the time they lived together.

$\$15,014 + \$18,768 = \$33,782$

Step 3: Divide each individual's prorated share of income by the total income from step 2 to determine the percentage of income attributable to each.

Susan $\$15,014/\$33,782 = 44\%$
Bob $\$18,768/\$33,782 = 56\%$

Step 4: Determine the prorated taxes eligible for credit for the time they lived together. Divide the \$1,860 by 365 days then multiply by 274 days.

$(\$1,860/365) \times 274 = \$1,396$

Step 5: Determine each individual's share of the prorated taxes. Multiply the \$1,396 by the percentages determined in step 3.

Susan $\$1,396 \times 44\% = \614
Bob $\$1,396 \times 56\% = \782

Enter these amounts on line 36, column A, of your MI-1040CR-2. Then complete lines 37-40.

Susan uses lines 33-41, column B, to determine her share of taxes for the remaining 91 days. Bob uses lines 42-53 to determine his share of rent. Each completes the remaining lines of the MI-1040CR-2 or MI-1040CR according to the line-by-line instructions.

Married, filing separately

Spouses who file separate Michigan income tax returns and share a household are entitled to only one property tax credit. Complete the property tax credit claim jointly and include income from both spouses in household income. You may then divide the credit as you wish. If each spouse claims a portion of the credit, attach a copy of the claim showing each spouse's share of the credit to each income tax return. Enter your portion of the credit on line 29 of form MI-1040.

Single adults sharing a home

When two or more single adults share a home, each may file a credit claim if each has contracted to pay rent or owns a share of the home. Each person should file an individual claim based on his or her household income and prorated share of taxes or rent paid.

Line-by-Line Instructions for Form MI-1040CR-2

Lines not listed are explained on the form.

IDENTIFICATION

Lines 1, 2 and 3: If you are filing this form with an income tax return (form MI-1040), you do not need to enter your address on this form, but you must enter your name(s) and Social Security number(s). If you are married filing separate claims, enter both Social Security numbers but do not enter your spouse's name.

Line 4: See pages 15 and 16.

Line 5: If you and your spouse had a different residency status, mark the box that applies to each spouse.

PROPERTY TAX and HOUSEHOLD INCOME

If you bought or sold your home or if you are a part-year resident, go to line 31 of the MI-1040CR-2. Renters, go to line 42 of the MI-1040CR-2.

Include all taxable and nontaxable income you and your spouse received as Michigan residents in 1998. If your family lived in Michigan while one spouse earned wages outside Michigan, include the income earned out-of-state in your household income. (See "Who may claim a property tax credit" and "Household income" on page 5.)

Line 8: If you own your homestead, enter the taxable value of your homestead from your 1998 property tax statement. If you do not know your taxable value, ask your local treasurer. Farmers should include the taxable value on all land that qualifies for this credit.

Line 9: Read "Property taxes that can be claimed for credit" on page 5 before you complete this line.

Line 12: Enter all compensation received as an employee. Include strike pay, supplemental unemployment benefits (SUB pay), deferred compensation

received, sick pay or long-term disability benefits, including income protection insurance.

Line 14: Enter the sum of the amounts from the following U.S. forms: *Schedule C* (business income or loss); 4797 (other gain or loss); and *Schedule E* (rents, royalties, partnerships, S corporations, estates and trusts). Include amounts from sources outside Michigan. **Attach these schedules to your claim.**

Line 15: Enter all annuity, pension and IRA benefits and the name of the payer. This should be the taxable amount shown on your U.S. 1099-R. If no taxable amount is shown on your U.S. 1099-R, use the gross amount. Also include the total amount of any lump sum distribution, including amounts reported on your U.S. 4972.

Line 16: Enter the amount from U.S. *Schedule F* (farm income or loss). Attach *Schedule F*.

Line 17: Enter all capital gains. This is the total of short- and long-term gains, less short- and long-term losses from your U.S. *Schedule 1040D*, line 17 (for gains) or line 18 (for losses). Include gains realized on the sale of your residence regardless of your age or whether or not these gains are exempt from federal income tax. Do not include deferred gains from the sale of a residence when the proceeds are reinvested in a new home (in accordance with Internal Revenue Code (IRC) section 1034).

Line 18: Enter here and describe any other taxable income. This includes:

- Alimony received.
- Awards, prizes, lottery, bingo and other gambling winnings over \$300 (see "Household income does NOT include" on page 5).
- Farmland Preservation Tax Credits if not included in farm income on line 16.

Line 19: Enter your Social Security, Supplemental Security Income (SSI) and Railroad Retirement benefits. Include death benefits and amounts received for minor children or other dependent adults who live with you. Report the amount actually received. **Do not** include the amount deducted for Medicare.

Line 20: Enter child support received. Also enter all care payments received as a foster parent. **Note:** If you received a 1998 *Child Support Annual Statement* showing child support payments paid to the Friend of the Court, enter the child support portion here and attach a copy of the statement. Also see line 24.

Line 22: Enter other nontaxable income. This includes: compensation for damages to character or for personal injury or sickness; an inheritance (excluding an inheritance from your spouse); proceeds of a life insurance policy paid on the death of the insured (excluding benefits from a policy on your spouse); death benefits paid by or on behalf of an employer; the value over \$300 in gifts of cash, merchandise or expenses paid on your behalf (rent, taxes, utilities, food, medical care, etc.) from parents, relatives or friends; minister's housing allowance; amounts paid directly to you as a scholarship, stipend, grant or GI bill benefits; and reimbursements from child and/or medical care spending accounts. Also include such payments made on your behalf except government payments made directly to an educational institution or subsidized housing project.

Line 23: Enter workers' compensation benefits received, service-connected disability compensation benefits and pension benefits received from the Veterans Administration. Veterans receiving retirement benefits should enter the benefits on line 15.

Line 24: Enter the total payments made to your household by the Family Independence Agency (FIA) and all other public assistance payments. Your *1998 Annual Statement(s)* mailed by FIA in January 1999 will show your total FIA payments. Your statement(s) may include the following: Family Independence Program assistance (FIP), State Disability Assistance (SDA), State Family Assistance (SFA), Refugee Assistance, Repatriate Assistance and vendor payments for shelter, heat and utilities. **Note:** If you received a *1998 Child Support Annual Statement*, subtract the amount of child support payments entered on line 20 from the total FIA payments and enter the difference here.

Line 26: Enter total adjustments from your U.S. 1040, line 32, or U.S. 1040A, line 17. Describe any adjustments to income. These adjustments reduce household income:

- payments to an individual retirement account (IRA), Keogh (HR 10), SEP, or SIMPLE plans;
- student loan interest;
- medical savings account deduction;
- moving expenses;
- deduction for self-employment tax;
- self-employed health insurance deduction;
- forfeited interest penalty for premature withdrawal;
- alimony paid.

Also enter the amount of a net operating loss (NOL) deduction. **Note:** A deduction for a carryback or carryforward of an NOL cannot exceed federal modified taxable income. Attach your *Application for a Net Operating Loss Refund* (form MI-1045).

Line 27: Enter medical insurance or HMO premiums you paid for yourself and your family (NOT MEDICARE). Include medical insurance premiums paid through payroll deduction. Include the portion of auto insurance paid for medical coverage. Do not include any insurance premiums deducted on line 26 or amounts paid for income protection insurance.

Line 29: HOUSEHOLD INCOME is used only to compute your credit. Taxpayers with household income over \$82,650 are not eligible for a credit in any category.

YOUR CREDIT

Line 30: Enter the amount below that applies to you (maximum \$1,200).

- FIP and FIA recipients, enter amount from line 57.

- Taxpayers with household income over \$82,650 are not eligible for a credit in any category. The computed credit (line 11) is reduced by 10 percent for every \$1,000 (or part of \$1,000) that your household income exceeds \$73,650. If you are filing a part-year return (for a deceased taxpayer or a part-year resident), you must annualize the household income to determine if the credit reduction applies. If the annualized income is more than \$73,650, enter annualized income on line 29 of form MI-1040CR-2. If the annualized household income is less than \$73,650, the phase-out does not apply. Then use actual household income attributable to Michigan on line 29. A surviving spouse filing a joint claim does not have to annualize the deceased spouse's income.

To annualize income (project what it would have been for a full year):

Step 1: Divide 365 by the number of days the claimant lived or was a Michigan resident in 1998.

Step 2: Multiply the answer from step 1 by the claimant's household income (line 29).

The result is the annualized income.

Direct Deposit

Instead of receiving a check, you may request deposit of your credit directly into your account at a financial institution. Complete a *Direct Deposit of Refund* form and attach it to your claim. To request a copy of the form see page 2. There is also a copy of the form on page 27 of the MI-1040 instruction booklet.

For more information, call the Michigan Tele-Help System (see page 3).

RENTERS (VETERANS ONLY)

See "Rent that can be claimed for credit" on page 6.

Line 42: If you rented a Michigan homestead subject to local property taxes, enter the street number and name, city, landowner's name and address, number of months rented, rent paid per month and total rent paid. Do this for each Michigan homestead rented during 1998. If you need more space, attach an additional sheet. Do not include more than 12 months' rent. Do not include amounts paid directly to the landowner on your behalf by a government agency.

IMPORTANT: If you rented your Michigan homestead(s) for the entire year, complete lines 42-46. If you rented your Michigan homestead(s) for part of the year, complete lines 42-53.

CREDIT PRORATION

If you received FIP assistance or other FIA benefits in 1998, you must prorate your credit to reflect the ratio of income from other sources to your total household income.

WHEN YOU HAVE FINISHED

Sign your return

Review your claim to make sure your name, Social Security number(s), address and all other important information are on the claim.

Your tax preparer (if you used one) must sign the claim and include the name, address and identification number of the organization he or she represents.

Check a box to indicate if you authorize Treasury to discuss your claim with your tax preparer.

Attachments

Assemble your claim and any attachments in the following order and staple in the upper left corner. 

- Farmland credit (MI-1040CR-5)
- Property tax credit (MI-1040CR-2)
- Home heating credit (MI-1040CR-7)
- Direct deposit of refund (form 3174)

If you file a prescription drug credit (MI-1040CR-9) **do not** staple it to your return; fold it and leave it loose in the envelope.

If you are also filing an MI-1040, assemble your returns and attachments according to the instructions on page 45 of the MI-1040 booklet.

Mailing

Mail your claim to the same address as your MI-1040. If you are not required to file an MI-1040, mail this claim to:

Michigan Department of Treasury
Lansing, MI 48956

Your claim may be audited. Keep a copy of this form and all supporting documents for six years.

TABLE 1
Veterans and Blind Status and Taxable Value Allowance (TVA)

Filing Status	Percent of Disability	TVA
A. Blind (if each spouse is blind, the TVA is \$7,000)		\$3,500
B. Veteran with service-connected disability (or his/her surviving spouse)	10-50%	3,500
	60-80%	4,000
	90 - 100%	4,500
C. Surviving spouse of veteran deceased in service		4,500
D. Veteran of wars before World War I, pensioned veteran, his/her surviving spouse, or active military		3,500
E. Surviving spouse of a nondisabled or nonpensioned veteran of the Korean War, World War II or World War I		2,500

TABLE 2
Percent of Taxes Refundable

Taxable Value	Taxable Value Allowance				Taxable Value	Taxable Value Allowance			
	\$2,500	\$3,500	\$4,000	\$4,500		\$2,500	\$3,500	\$4,000	\$4,500
\$ to \$ 2,500	100.0	100.0	100.0	100.0	\$ 7,601 to \$ 7,700	32.3	45.8	52.3	58.8
\$ 2,501 to 2,600	98.0	100.0	100.0	100.0	7,701 to 7,800	32.3	45.2	51.6	58.1
2,601 to 2,700	94.3	100.0	100.0	100.0	7,801 to 7,900	31.8	44.6	51.0	57.3
2,701 to 2,800	90.9	100.0	100.0	100.0	7,901 to 8,000	31.4	44.0	50.3	56.6
2,801 to 2,900	87.7	100.0	100.0	100.0	8,001 to 8,100	31.1	43.5	49.7	55.9
2,901 to 3,000	84.7	100.0	100.0	100.0	8,101 to 8,200	30.7	42.9	49.1	55.2
3,001 to 3,100	82.0	100.0	100.0	100.0	8,201 to 8,300	30.3	42.4	48.5	54.5
3,101 to 3,200	79.4	100.0	100.0	100.0	8,301 to 8,400	29.9	41.9	47.9	53.9
3,201 to 3,300	76.9	100.0	100.0	100.0	8,401 to 8,500	29.6	41.4	47.3	53.3
3,301 to 3,400	74.6	100.0	100.0	100.0	8,501 to 8,600	29.2	40.9	46.8	52.6
3,401 to 3,500	72.5	100.0	100.0	100.0	8,601 to 8,700	28.9	40.5	46.2	52.0
3,501 to 3,600	70.4	98.6	100.0	100.0	8,701 to 8,800	28.6	40.0	45.7	51.4
3,601 to 3,700	68.5	95.9	100.0	100.0	8,801 to 8,900	28.2	39.5	45.2	50.8
3,701 to 3,800	66.7	93.3	100.0	100.0	8,901 to 9,000	27.9	39.1	44.7	50.3
3,801 to 3,900	64.9	90.9	100.0	100.0	9,001 to 9,100	27.6	38.7	44.2	49.7
3,901 to 4,000	63.3	88.6	100.0	100.0	9,101 to 9,200	27.3	38.3	43.7	49.2
4,001 to 4,100	61.7	86.4	98.8	100.0	9,201 to 9,300	27.0	37.8	43.2	48.6
4,101 to 4,200	60.2	84.3	96.4	100.0	9,301 to 9,400	26.7	37.4	42.8	48.1
4,201 to 4,300	58.8	82.4	94.1	100.0	9,401 to 9,500	26.5	37.0	42.3	47.6
4,301 to 4,400	57.5	80.5	92.0	100.0	9,501 to 9,600	26.2	36.6	41.9	47.1
4,401 to 4,500	56.2	78.7	89.9	100.0	9,601 to 9,700	25.9	36.3	41.5	46.6
4,501 to 4,600	54.9	76.9	87.9	98.9	9,701 to 9,800	25.6	35.9	41.0	46.2
4,601 to 4,700	53.8	75.3	86.0	96.8	9,801 to 9,900	25.4	35.5	40.6	45.7
4,701 to 4,800	52.6	73.7	84.2	94.7	9,901 to 10,000	25.1	35.2	40.2	45.2
4,801 to 4,900	51.5	72.2	82.5	92.8	10,001 to 10,100	24.9	34.8	39.8	44.8
4,901 to 5,000	50.5	70.7	80.8	90.9	10,101 to 10,200	24.6	34.5	39.4	44.3
5,001 to 5,100	49.5	69.3	79.2	89.1	10,201 to 10,300	24.4	34.1	39.0	43.9
5,101 to 5,200	48.5	68.0	77.7	87.4	10,301 to 10,400	24.2	33.8	38.6	43.5
5,201 to 5,300	47.6	66.7	76.2	85.7	10,401 to 10,500	23.9	33.5	38.3	43.1
5,301 to 5,400	46.7	65.4	74.8	84.1	10,501 to 10,600	23.7	33.2	37.9	42.7
5,401 to 5,500	45.9	64.2	73.4	82.6	10,601 to 10,700	23.5	32.9	37.6	42.3
5,501 to 5,600	45.0	63.1	72.1	81.1	10,701 to 10,800	23.3	32.6	37.2	41.9
5,601 to 5,700	44.2	61.9	70.8	79.6	10,801 to 10,900	23.0	32.3	36.9	41.5
5,701 to 5,800	43.5	60.9	69.6	78.3	10,901 to 11,000	22.8	32.0	36.5	41.1
5,801 to 5,900	42.7	59.8	68.4	76.9	11,001 to 11,100	22.6	31.7	36.2	40.7
5,901 to 6,000	42.0	58.8	67.2	75.6	11,101 to 11,200	22.4	31.4	35.9	40.4
6,001 to 6,100	41.3	57.9	66.1	74.4	11,201 to 11,300	22.2	31.1	35.6	40.0
6,101 to 6,200	40.7	56.9	65.0	73.2	11,301 to 11,400	22.0	30.8	35.2	39.6
6,201 to 6,300	40.0	56.0	64.0	72.0	11,401 to 11,500	21.8	30.6	34.9	39.3
6,301 to 6,400	39.4	55.1	63.0	70.9	11,501 to 11,600	21.6	30.3	34.6	39.0
6,401 to 6,500	38.8	54.3	62.0	69.8	11,601 to 11,700	21.5	30.0	34.3	38.6
6,501 to 6,600	38.2	53.4	61.1	68.7	11,701 to 11,800	21.3	29.8	34.0	38.3
6,601 to 6,700	37.6	52.6	60.2	67.7	11,801 to 11,900	21.1	29.5	33.8	38.0
6,701 to 6,800	37.0	51.9	59.3	66.7	11,901 to 12,000	20.9	29.3	33.5	37.7
6,801 to 6,900	36.5	51.1	58.4	65.7					
6,901 to 7,000	36.0	50.4	57.6	64.7					
7,001 to 7,100	35.5	49.6	56.7	63.8					
7,101 to 7,200	35.0	49.0	55.9	62.9					
7,201 to 7,300	34.5	48.3	55.2	62.1					
7,301 to 7,400	34.0	47.6	54.4	61.2					
7,401 to 7,500	33.6	47.0	53.7	60.4					
7,501 to 7,600	33.1	46.4	53.0	59.6					

If the taxable value of your home exceeds \$12,000, divide your taxable value allowance by the taxable value of your home to determine your percentage of tax relief.

Blind filers whose TVA is \$7,000 should divide \$7,000 by the taxable value of your home to determine your percentage of tax relief (cannot exceed 100%).

School District Code List (See MI-1040CR-2, line 4.)

Michigan public school districts are listed alphabetically with code numbers to the **left** of the names. When more than one district has the same name, the city name in parentheses helps you choose the right district.

31020 Adams Twp.
 46020 Addison
 46010 Adrian
 58020 Airport
 79010 Akron Fairgrove
 05010 Alba
 13010 Albion
 01010 Alcona
 74030 Algonac
 03030 Allegan
 82020 Allen Park
 70040 Allendale
 29010 Alma
 44020 Almont
 04010 Alpena
 50040 Anchor Bay
 81010 Ann Arbor
 06010 Arenac Eastern
 50050 Armada
 07010 Arvon Twp.
 29020 Ashley
 13050 Athens
 25130 Atherton
 60010 Atlanta
 06020 Au Gres Sims
 02010 AuTrain-Onota
 63070 Avondale

 32010 Bad Axe
 43040 Baldwin
 80020 Bangor
 80240 Bangor Twp. (8)
 (Bangor)
 09030 Bangor Twp.
 (Bay City)
 07020 Baraga Twp.
 21090 Bark River Harris
 19100 Bath
 13020 Battle Creek
 09010 Bay City
 37040 Beal City
 51020 Bear Lake
 15010 Beaver Island
 26010 Beaverton
 58030 Bedford
 25240 Beecher
 34080 Belding
 05040 Bellaire
 23010 Bellevue
 25060 Bendle
 25230 Bentley
 11010 Benton Harbor
 10015 Benzie County Central
 63050 Berkley
 34140 Berlin Twp. (3)
 11240 Berrien Springs
 27010 Bessemer City
 21065 Big Bay De Noc
 62470 Big Jackson
 54010 Big Rapids
 73170 Birch Run
 63010 Birmingham
 46040 Blissfield
 63080 Bloomfield Hills
 32140 Bloomfield No. 1
 (Red-Huron Co.)
 32250 Bloomfield Twp. (7F)
 (Huron Co.)
 80090 Bloomingdale
 49020 Bois Blanc Pines
 15020 Boyne City
 15030 Boyne Falls
 63180 Brandon
 11210 Brandywine
 29040 Breckenridge
 22030 Breitung Twp.
 73180 Bridgeport-Spaulding
 11340 Bridgman
 47010 Brighton
 17140 Brimley
 46050 Britton Macon
 12020 Bronson

76060 Brown City
 11310 Buchanan
 28035 Buckley
 73080 Buena Vista
 56020 Bullock Creek
 75020 Burr Oak
 02020 Burt Twp.
 78020 Byron
 41040 Byron Center

 83010 Cadillac
 41050 Caledonia
 31030 Calumet
 30010 Camden Frontier
 74040 Capac
 25080 Carman-Ainsworth
 55010 Carney Nadeau
 79020 Caro
 73030 Carrollton
 59020 Carson City Crystal
 76070 Carsonville-Pt. Sanilac
 32030 Caseville
 79030 Cass City
 14010 Cassopolis
 41070 Cedar Springs
 50010 Centerline
 05035 Central Lake
 59125 Central Montcalm
 75030 Centreville
 15050 Charlevoix
 23030 Charlotte
 31050 Chassell Twp.
 16015 Cheboygan
 81040 Chelsea
 73110 Chesaning Union
 54025 Chippewa Hills
 50080 Chippewa Valley
 32040 Church
 18010 Clare
 63090 Clarenceville
 63190 Clarkston
 63270 Clawson
 39020 Climax Scotts
 46060 Clinton
 50070 Clintondale
 25150 Clio
 12010 Coldwater
 56030 Coleman
 32260 Colfax Twp. (1F)
 11330 Coloma
 75040 Colon
 38040 Columbia
 39030 Comstock
 41080 Comstock Park
 38080 Concord
 75050 Constantine
 70120 Coopersville
 78100 Corunna
 80040 Covert
 20015 Crawford AuSable
 82230 Crestwood
 76080 Crosswell Lexington

 33040 Dansville
 25140 Davison
 82030 Dearborn
 82040 Dearborn Heights (7)
 80050 Decatur
 76090 Deckerville
 46070 Deerfield
 08010 Delton-Kellogg
 17050 Detour
 82010 Detroit
 19010 DeWitt
 81050 Dexter
 14020 Dowagiac Union
 44050 Dryden
 58050 Dundee
 78030 Durand

 74050 East China
 50020 East Detroit
 41090 East Grand Rapids
 38090 East Jackson

Residents, choose the code for the district where you lived December 31, 1998. Call your local assessor or treasurer if you do not know your school district name.

Nonresidents, enter "10000" in the code box.

15060 East Jordan
 33010 East Lansing
 34340 Easton Twp. (6)
 23050 Eaton Rapids
 11250 Eau Claire
 82250 Ecorse
 14030 Edwardsburg
 05060 Elk Rapids
 32050 Elkton Pigeon Bayport
 05065 Ellsworth
 31070 Elm River Twp.
 49055 Engadine
 21010 Escanaba
 09050 Essexville Hampton
 67020 Ewart
 66045 Ewen-Trout Creek
 40060 Excelsior (1)

 68030 Fairview
 63200 Farmington
 18020 Farwell
 03050 Fennville
 25100 Fenton
 63020 Ferndale
 50090 Fitzgerald
 82180 Flat Rock
 25010 Flint
 25120 Flushing
 40020 Forest Area
 41110 Forest Hills
 36015 Forest Park
 19070 Fowler
 47030 Fowlerville
 73190 Frankenmuth
 10025 Frankfort-Elberta
 50100 Fraser
 73200 Freeland
 53030 Freesoil
 62040 Fremont
 61080 Fruitport
 29050 Fulton

 39050 Galesburg Augusta
 11160 Galien Twp.
 03440 Ganges (4)
 82050 Garden City
 69020 Gaylord
 25070 Genesee
 72010 Gerrish Higgins
 82290 Gibraltar
 21025 Gladstone
 26040 Gladwin
 45010 Glen Lake
 80110 Gobles
 41120 Godfrey Lee
 41020 Godwin Heights
 25050 Goodrich
 25030 Grand Blanc
 70010 Grand Haven
 23060 Grand Ledge
 41010 Grand Rapids
 41130 Grandville
 62050 Grant
 42030 Grant Twp.
 38050 Grass Lake
 59070 Greenville
 82300 Grosse Ile Twp.
 82055 Grosse Pointe
 39065 Gull Lake
 52040 Gwinn

 11670 Hagar Twp. (6)
 35020 Hale
 03100 Hamilton
 82060 Hamtramck
 31010 Hancock
 38100 Hanover Horton
 32060 Harbor Beach
 24020 Harbor Springs
 13070 Harper Creek
 82320 Harper Woods
 18060 Harrison
 64040 Hart
 80120 Hartford

47060 Hartland
 33060 Haslett
 08030 Hastings
 63130 Hazel Park
 73210 Hemlock
 62060 Hesperia
 82070 Highland Park
 60020 Hillman
 30020 Hillsdale
 70020 Holland
 63210 Holly Area
 33070 Holt
 61120 Holton
 13080 Homer
 03070 Hopkins
 72020 Houghton Lake
 31110 Houghton-Portage
 47070 Howell
 46080 Hudson
 70190 Hudsonville
 82340 Huron
 63220 Huron Valley

 58070 Ida
 44060 Imlay City
 82080 Inkster
 16050 Inland Lakes
 34010 Ionia
 34360 Ionia Twp. (2)
 22010 Iron Mountain
 27020 Ironwood
 52180 Ishpeming
 29060 Ithaca

 38170 Jackson
 58080 Jefferson Sch.-Monroe Co.
 70175 Jenison
 69030 Johannesburg-Lewiston
 30030 Jonesville

 39010 Kalamazoo
 51045 Kaleva Norman-Dickson
 40040 Kalkaska
 25110 Kearsley
 41140 Kelloggsville
 41145 Kenowa Hills
 41150 Kent City
 41160 Kentwood
 28090 Kingsley
 79080 Kingston

 50140 L'Anse Creuse
 07040 L'Anse Area
 78040 Laingsburg
 57020 Lake City
 25200 Lake Fenton
 31130 Lake Linden Hubbell
 63230 Lake Orion
 50120 Lakeshore
 (St. Clair Shores)
 11030 Lakeshore
 (Stevensville, Berrien Co.)
 59090 Lakeview (Lakeview)
 13090 Lakeview (Battle Creek)
 50130 Lakeview (St. Clair Shores)
 25280 Lakeville
 34090 Lakewood
 63280 Lamphere
 33020 Lansing
 44010 Lapeer
 80130 Lawrence
 80140 Lawton
 45020 Leland
 49040 Les Cheneaux
 33100 Leslie
 81070 Lincoln
 82090 Lincoln Park
 25250 Linden
 30040 Litchfield
 24030 Littlefield
 82095 Livonia
 41170 Lowell
 53040 Ludington

We no longer print your Social Security number on the mailing label. Instead, for security reasons, a 10-digit code number appears on the label. Review this label. If the information is correct, place the label on your tax return. **If any information is incorrect, do not use this label.** Write the correct information on the return. If you use a tax preparer, take this book to your preparer and ask him or her to use this label. Using this label will help shorten the processing time of your return.

49110 Mackinac Island	30050 North Adams - Jerome	79110 Reese	75080 Three Rivers
16070 Mackinaw City	44090 North Branch	61220 Reeths Puffer	28010 Traverse City
46090 Madison (Adrian)	55115 North Central	52110 Republic Michigamme	82155 Trenton
63140 Madison (Madison Hts.)	22045 North Dickinson Co.	50180 Richmond	59080 Tri County (Howard City)
05070 Mancelona	32080 North Huron	82120 River Rouge	63150 Troy
81080 Manchester	61230 North Muskegon	11033 River Valley	
51070 Manistee	45040 Northport	82400 Riverview	32170 Ubly
77010 Manistique	41025 Northview	63260 Rochester	13135 Union City
83060 Manton	82390 Northville	41210 Rockford	79145 Unionville Sebewaing
23065 Maple Valley	38140 Northwest	71080 Rogers City Area	50210 Utica
14050 Marcellus	22025 Norway Vulcan	50190 Romeo	
27060 Marenisco	75100 Nottawa	82130 Romulus	82430 Van Buren
67050 Marion	63100 Novi	50030 Roseville	50220 Van Dyke
13095 Mar Lee		23590 Roxand Twp. (12)	69040 Vanderbilt
76140 Marlette	63250 Oak Park	63040 Royal Oak	38020 Vandercook Lake
52170 Marquette City	61065 Oakridge	17110 Rudyard	79150 Vassar
13110 Marshall	33170 Okemos		32650 Verona Twp. (1F)
03060 Martin	23080 Olivet	73010 Saginaw City	59150 Vestaburg
74100 Marysville	71050 Onaway	73040 Saginaw Twp.	39170 Vicksburg
33130 Mason	23490 Oneida Twp. (3)	81120 Saline	
58090 Mason (Erie)	51060 Onekama	46130 Sand Creek	65045 West Branch-Rose City
53010 Mason County Central (Scottville)	46110 Onsted	76210 Sandusky	27070 Wakefield Twp.
53020 Mason County Eastern (Custer)	66050 Ontonagon	34120 Saranac	30080 Waldron
80150 Mattawan	61190 Orchard View	03080 Saugatuck	64090 Walkerville
79090 Mayville	31100 Osceola Twp.	17010 Sault Ste. Marie	63290 Walled Lake
57030 McBain	35010 Oscoda	39160 Schoolcraft	50230 Warren
82045 Melvindale Allen Park	03020 Otsego	(Kalamazoo Co.)	50240 Warren Woods
74120 Memphis	19120 Ovid Elsie	64080 Shelby	63300 Waterford
75060 Mendon	32090 Owendale Gagetown	37060 Shepherd	27080 Watersmeet Twp.
55100 Menominee	78110 Owosso	32610 Sigel Twp.-Adams (3) (Bad Axe)	11320 Watervliet
56050 Meridian	63110 Oxford	32620 Sigel Twp. (4)	33215 Waverly
73230 Merrill	34040 Palo	32630 Sigel Twp. (6)	03040 Wayland Union
83070 Mesick	39130 Parchment	11830 Sodus Twp. (5)	82160 Wayne-Westland
38120 Michigan Center	80160 Paw Paw	80010 South Haven	33220 Webberville
21135 Mid Peninsula	76180 Peck	50200 South Lake	52160 Wells Twp.
56010 Midland	24040 Pellston	63240 South Lyon	63160 West Bloomfield
81100 Milan	13120 Pennfield	82140 South Redford	36025 West Iron County
79100 Millington	64070 Pentwater	63060 Southfield	70070 West Ottawa
68010 Mio Au Sable	78080 Perry	82405 Southgate	38010 Western
61060 Mona Shores	24070 Petoskey	41240 Sparta	82240 Westwood
58010 Monroe	19125 Pewamo Westphalia	70300 Spring Lake	25210 Westwood Heights
59045 Montabella	17090 Pickford	38150 Springport	62090 White Cloud
61180 Montague	47080 Pinckney	73240 St. Charles	75070 White Pigeon
25260 Montrose	09090 Pinconning	49010 St. Ignace City	66070 White Pine
49070 Moran Twp.	67055 Pine River	19140 St. Johns	17160 Whitefish
46100 Morenci	30060 Pittsford	11020 St. Joseph	58110 Whiteford
54040 Morley Stanwood	03010 Plainwell	29100 St. Louis	61240 Whitehall
78060 Morrice	82100 Plymouth Canton	06050 Standish - Sterling	81140 Whitmore Lake
50160 Mt. Clemens	63030 Pontiac	31140 Stanton Twp.	35040 Whittamore Prescott
25040 Mt. Morris	32130 Port Hope	55120 Stephenson	33230 Williamston
37010 Mt. Pleasant	74010 Port Huron	33200 Stockbridge	81150 Willow Run
02070 Munising	39140 Portage	75010 Sturgis	16100 Wolverine
61010 Muskegon	34110 Portland	58100 Summerfield	82365 Woodhaven
61020 Muskegon Heights	71060 Posen	02080 Superior Central	82170 Wyandotte
	23090 Pottersville	45050 Suttons Bay	41026 Wyoming
	52100 Powell Twp.	73255 Swan Valley	
52015 Nice (Ishpeming) N.I.C.B.		25180 Swartz Creek	74130 Yale
38130 Napoleon	12040 Quincy		81020 Ypsilanti
52090 Negaunee		48040 Tahquamenon	
11200 New Buffalo	21060 Rapid River	35030 Tawas	70350 Zeeland
50170 New Haven	61210 Ravenna	82150 Taylor	
78070 New Lothrop	30070 Reading	46140 Tecumseh	
62070 Newaygo	82110 Redford Union	13130 Tekonsha	
11300 Niles	67060 Reed City	08050 Thornapple-Kellogg	

HOMEOWNERS -- Write your homestead information as of December 31, 1998.

Report on lines 31 and 32 the address of the homesteads you are claiming credit on. If you need more space, attach a list.

31. Address where you lived on Dec. 31, 1998, if different than reported on line 1.

32. Address of homestead sold during 1998 (no., street and city).

If you bought or sold your homestead in 1998, complete lines 33 - 41. If you also rented a homestead during 1998, also complete lines 42-53.

	A. Homestead Moved Into	B. Homestead Moved From
33. Number of days occupied (total cannot be more than 365).....		
34. Divide line 33 by 365 and enter the percentage here.....	%	%
35. Property taxes levied in calendar year 1998.....		
36. Prorated taxes. Multiply line 35 by percentage on line 34.....		
37. Taxable value allowance (see Table 1, page 10).....		
38. Taxable value.....		
39. Divide line 37 by line 38.....	%	%
40. Prorated credit. Multiply line 36 by line 39.....		
41. Property tax credit (add columns A and B on line 40). Enter here and on line 11 PART-YEAR RENTERS do not carry to line 11, complete lines 42-53.....		.00

RENTERS (Veterans only)

42. Address of homestead you rented (No., street, apt. no. and city)	Landowner's Name and Address	Number of Months Rented	Monthly Rent	Total Rent Paid
A.				A.
B.				B.

43. Total rent paid (not more than 12 months). Add total rent for each period..... 43. .00

44. Multiply line 43 by 20% (.20). Service fee housing residents use 10% (.10); see page 6
Full-year renters enter here and on line 9..... 44. .00

45. Multiply non-homestead property tax millage by .001 45. _____

Full-year renters complete line 46 only.

46. Divide line 44 by line 45 to get your taxable value. Enter here and on line 8 46. .00

Part-year renters complete lines 47 through 53.

47. Divide line 43 by the number of months you rented 47. .00

48. Multiply line 47 by 12 months 48. .00

49. Multiply line 48 by 20% (.20). Service fee housing residents, use 10% (.10); see page 6 49. .00

50. Divide line 49 by line 45. This is your taxable value 50. .00

51. Enter the percent of tax relief for your taxable value from Table 2, page 10 of the instructions 51. %

52. Multiply line 44 by line 51..... 52. .00

53. Add lines 41 and 52. Enter here and on line 11 53. .00

CREDIT PRORATION -- Complete if you received FIP/FIA benefits

54. Subtract line 24 from line 29..... 54. .00

55. Divide line 54 by line 29. Enter the percentage here..... 55. %

56. Enter amount from line 11 (maximum \$1,200) 56. .00

57. Multiply line 56 by line 55. Enter here and on line 30 57. .00

I declare, under penalty of perjury, that the information in this claim and attachments is true and complete to the best of my knowledge.

I authorize Treasury to discuss my claim and attachments with my preparer. *Do not discuss my claim with my preparer.*

Filer's Signature

Date

Spouse's Signature

Date

I declare, under penalty of perjury, that this claim is based on all information of which I have knowledge.

Preparer's Signature, Address, Phone and ID No.

IF YOU ARE ALSO FILING FORM MI-1040, ATTACH THIS FORM BEHIND IT. IF NOT, MAIL THIS FORM TO:

MICHIGAN DEPARTMENT OF TREASURY, LANSING, MI 48956