



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

December 4, 2018

FACILITY MANAGER

Resident Rent or Share of Facility Property Tax

According to our records, your facility is a nursing home, adult foster care home, home for the aged, or you have renters who pay room and board in one monthly fee. As a result of changes to administrative rules in 2016, Michigan law allows residents to use the statutory percentage of rent in the formula to compute their Michigan Homestead Property Tax Credit based on the portion of their monthly fee that constitutes rent. A credit based on rent may be more beneficial for the resident; however, residents may instead use the proportionate share of facility property taxes if the facility is not able to identify the portion that constitutes rent and the resident pays a monthly lump sum payment to the facility for rent, food and services.

If the resident claims a Property Tax Credit using rent, they must receive a copy of their monthly statement separately itemizing rent, food, and other items **OR** a letter from the facility that states their portion of the monthly payment that constitutes rent (excluding food, housekeeping, medical care, and other services). If the amount of rent is not available and/or not separately stated from other services, the resident can continue to use the method based on facility type and their allocated share of the actual property tax assessed on the facility. **Provide** your residents with a separate statement detailing their rent or alternatively their share of property taxes if rent is unavailable, as they may be required to produce a copy of the facility's documentation to substantiate their claim. An example is provided on the following page, but any format may be used.

Treasury is requesting information to assist us in processing Property Tax Credits that may be claimed by residents of your facility and to assist you in responding to questions from your residents regarding this issue. Complete and return the enclosed *Resident Rent or Share of Facility Property Tax* (Form 4791). All facilities should complete Part 1. If you will be providing residents their share of facility property tax, complete Part 2 and/or Part 3 as applicable, depending on the facility type. If you will be providing residents with a statement indicating the portion of the monthly fee that constitutes rent, complete Part 4.

- **Part 2, Licensed Facilities: Nursing Home, Adult Foster Care Home, Home for the Aged, or similar facilities.** Facilities that issue lump sum billings for rent, food, nursing, and other services to persons residing permanently in these facilities. When rent is unavailable, residents shall compute their credit based on their allocated share of the property tax levied on the facility. In this case, the allocation is computed by dividing the property tax levied on the facility by the number of occupants for which the facility is licensed (not the number of actual occupants).

- **Part 3, Nonlicensed Facilities:** Facilities that issue lump sum billings for rent, food, housekeeping or other services to persons residing permanently in this facility. When rent is unavailable, residents shall compute their credit based on their allocated share of the property tax levied on the facility. In this case, the allocation is computed by dividing the square footage of each apartment/unit by the total square footage of the facility and multiplying that percentage by the property taxes levied on the facility.

A copy of this notice and Form 4791 will be available on Treasury’s Web site at www.michigan.gov/taxes and select “Tax Professionals.” Attach a copy of this notice to the front of your completed Form 4791 and return it by **January 7, 2019** by fax to 517-636-4445 or mail to:

Michigan Department of Treasury
PO Box 30477
Lansing MI 48909

Retain a copy of this information for your records.

Thank you for your cooperation in this matter. Call 517-636-0692 if you have any questions and reference this notice.

Enclosures: *Resident Rent or Share of Facility Property Tax* (Form 4791).

<p>Facility Letterhead Facility Name Facility Address</p> <p style="margin-top: 20px;">Date</p>	<p>Resident Name Resident Address</p> <p>Dear Resident,</p> <p>Provided below is a breakdown of your monthly rent which may assist you in calculating the <i>Michigan Homestead Property Tax Credit Claim</i> (MI-1040CR or MI-1040CR-2).</p> <table style="width: 100%; margin-top: 20px;"> <tr> <td style="padding-left: 20px;">Monthly Fee:</td> <td style="text-align: right;"><u>\$1,500</u></td> </tr> <tr> <td style="padding-left: 20px;">Other Services:</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">a. Meals:</td> <td style="text-align: right;"><u>\$200</u></td> </tr> <tr> <td style="padding-left: 40px;">b. Housekeeping:</td> <td style="text-align: right;"><u>\$100</u></td> </tr> <tr> <td style="padding-left: 20px;">Amount of monthly fee that constitutes rent:</td> <td style="text-align: right;"><u>\$1,200</u></td> </tr> </table> <p><i>(use this amount on the MI-1040CR or MI-1040CR-2)</i></p>	Monthly Fee:	<u>\$1,500</u>	Other Services:		a. Meals:	<u>\$200</u>	b. Housekeeping:	<u>\$100</u>	Amount of monthly fee that constitutes rent:	<u>\$1,200</u>
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