

The State Tax Commission has received a number of questions regarding the Disabled Veterans Exemption and what steps should be taken in cases where the disabled veteran or unremarried surviving spouse receives the exemption and then sells the property in the same year. The Commission provides the following:

1. The Disabled Veteran's exemption is not an exemption for the benefit of the property. Instead, it is an exemption personal to the qualifying disabled veteran or unremarried surviving spouse.
2. Since the exemption is personal to the qualified individual, the exemption only extends to the taxes actually paid by the disabled veteran or unremarried surviving spouse.
3. As indicated in Bulletin 22 of 2013, assessors should obtain a copy of the closing statement to determine the actual amount of property taxes paid by the disabled veteran or unremarried surviving spouse in the year of the sale.
4. If there was not a formal proration of taxes included in the sale of the property, then it is likely the disabled veteran or unremarried surviving spouse paid no taxes in the year of the sale and the amount of the current year exemption is zero dollars. If the new owner will not provide a copy of the closing statement, assessors should assume that the disabled veteran or unremarried surviving spouse paid no prorated current year taxes.
5. Assessors, in the local unit where the disabled veteran or their unremarried surviving spouse has sold the home, should file a MCL 211.154 petition with the State Tax Commission to add the parcel back to the roll as omitted property. The petition should be submitted based on the assessed and taxable value which would have been determined had the exemption not been in place.
6. Assessors should indicate on the MCL 211.154 petition the amount of current year tax reduction associated with the disabled veteran or unremarried surviving spouse ownership. The State Tax Commission will enter an order limiting the taxes to the amount which was not paid or not associated with the disabled veteran or unremarried surviving spouse. If the assessor cannot obtain a copy of the closing statement, then assume the disabled veteran or unremarried surviving spouse did not pay any current year taxes or assume payment for any current year taxes and include a statement of these circumstances on the MCL 211.154 petition.
7. After approval by the State Tax Commission, the Treasurer can cancel the portion of the tax billing which corresponds to the prorated portion of the current year taxes prorated to the veteran's occupancy of the residence and qualification of the exemption.