

## **FAQ's: Principal Residence Exemption "PRE"**

### **What is a principal residence?**

Michigan law defines a principal residence as the one place where you hold a true, fixed and permanent home. A residence to which whenever absent you plan to return, that will continue as your residence until another one is legally established. To verify a person's claim that a property is a principal residence, the Department of Treasury will accept various documents that prove you actually occupy the property as your primary or "principal" residence. Documents of proof may include your driver's license, voter registration card, cancelled checks, statements from your doctor, bank, charge accounts, income tax records, or insurance policies that list your property address. No one document or factor is taken alone.

### **What is PRE?**

A Principal Residence Exemption (PRE) exempts a residence from the tax required by a local school district for school operating purposes up to 18 mills. To qualify for a PRE a person must be a Michigan resident who owns and occupies the property as a principal residence. PRE is not a Homestead Credit; it is a separate program from the Homestead Property Tax Credit filed on your Michigan Individual Income Tax Return.

### **How can I get a PRE?**

If you do not have a PRE and qualify for one, you can get a PRE-Affidavit Form 2368 and other principal residence exemption forms from your local assessor.

### **Is there a filing deadline?**

There are two deadlines each year. A PRE-Affidavit Form 2368 must be filed with your local assessor on or before June 1, or on or before November 1.

### **Can I still file for a PRE if I miss the deadline?**

If you miss the deadlines, you may file an appeal with your local Board of Review in the year for which the exemption is claimed, or in the immediately succeeding three (3) years. Talk to your local assessor for more specific information on how to appeal to your local Board of Review.

### **Can I be refused or denied a PRE?**

Yes. An assessor, your local government, Department of Treasury, or the county treasurer may deny a PRE if it is believed that the property being claimed is not owned and/or occupied as a "principal" residence of the person claiming the exemption. The exemption may be denied for the current and three (3) immediately preceding calendar years. If a PRE is denied, it is removed from the tax roll by the local assessor when the denial is issued.

### **Can I get a PRE on more than one property?**

AN Only under unusual circumstances and only for a limited time. For example, if you owned and occupied a new principal residence on or before June 1 or on or before November 1, and timely filed for a PRE, you may be entitled to a PRE for that year's summer and/or winter taxes. If you rescind the exemption on your property on time, it will not take effect until December 31 of the year the rescission is filed. An owner can retain a principal residence exemption on property previously exempt for up to three years if that property is for sale, is not leased, and is not used for any business or commercial purpose by filing a Conditional Rescission of a Principal Residence Exemption Form 4640.

**If my local unit of government, my assessor, or the county denies my PRE, can I make an appeal?**

Yes. You can appeal in writing to the Michigan Tax Tribunal within 35 days of the date on the denial notice. You should include a copy of the denial notice, state that an informal conference is requested, list the reasons for disagreeing with the denial, and provide documentation showing you occupied the property as a principal residence for each year denied.

**How much does the PRE save me in taxes?**

A PRE is an exemption of up to 18 mills of school operating tax. Mills are multiplied by every \$1,000 of taxable value.