



Date: April 23, 2008
 To: All MiRealSource Offices
 From: Virginia M. Bratt, CEO
 Subject: **IMPORTANT UPDATE**
 Re: Legislation Public Act 96 Provides Significant Tax Relief for Sellers

On April 8, 2008, Governor Granholm signed House Bill 4215, enacting Public Act 96 of 2008, which amended Section 211.7cc of the General Property Tax Act 206 of 1893. The amendment enables a person who has established a new principal residence to retain a Principal Residence Exemption (PRE) on property previously exempt as the owner's principal residence that is not occupied and for sale by submitting a Conditional Rescission of Principal Residence Exemption Form #4640.

SUBMITTAL DEADLINES

CONDITIONAL RESCISSION TYPE:

To **initially qualify for a conditional rescission**, this form must be filed with the assessor for the city or township **on or before May 1, of the year of the claim.**

For the **2nd and/or 3rd year "Annual Verification"** – the form must be filed to **verify that the property still complies with the conditional rescission requirements** – but the **form must be filed on or before December 31, of the year prior to the 2nd or 3rd year (whichever applies).**

House Bill 4215, now Public Act 96 of 2008 enacts that the **seller can retain an additional exemption for up to three years on property previously exempt as the owner's principal residence if the following circumstances are met:**

- **The property is not occupied**
- **The property is for sale**
- **The property is not leased or available for lease**
- **The property is not used for any business or commercial purpose**

The Michigan Association of REALTORS® (MAR) was active in pointing out to lawmakers that the struggling economy in Michigan has forced several home sellers to relocate to other areas of the state, in some instances continuing to market a home that they have not lived in for over a year. As a result, the home was no longer treated as a principal residence and the homeowner lost the principal residence exemption. Retention of an existing homestead credit for an unoccupied home that is currently for sale would offer relief to sellers who have had to relocate for whatever reason.

To obtain a copy of Form #4640 [Click Here](#)