

MICHIGAN PROPERTY TAXES 2016

GRAND RAPIDS TOWNSHIP ASSESSING DEPARTMENT INFORMATIONAL NOTICE



- **Going all the way back to 1994, and understanding the terms.**

Proposal A was adopted by a vote of the State Electorates on March 16, 1994; amending the Michigan State Constitution. The key changes that affect how your taxes are calculated are as follows:

Assessed Value, by order of law should represent 50% of your properties True Cash or Market Value. The Assessor adjusts the values of like properties by using sales studies. Your value increases/decreases are based on real estate sales activity.

Taxable Value, is the number that your taxes are calculated on. It is the prior years Taxable Value multiplied by the Consumers Price Index (CPI), also known as the Rate of Inflation, or 5% whichever is less, adding/reducing by changes to the property. A transfer of ownership may also affect the Taxable Value.

Principal Residence Exemption, (PRE), formerly known as the Homestead Exemption. The place you own and occupy as your permanent home and contiguous parcels qualify. Occupy means this is your principal residence, **the place that you intend to return whenever you go away.**

Uncapping, when a property transfers ownership, as defined by law, an uncapping of Taxable Value occurs. If a transfer of ownership occurred in 2015, it will be uncapped for 2016, causing the taxable value to become the same as the assessed value.

Transfer of ownership changes: Beginning December 31, 2014 a transfer of residential real property will not be considered a transfer of ownership if the grantor and grantee are related by blood or affinity to the first degree and the use of the property does not change. Verification of relation may be requested.

Proposal A also includes uniformity of Equalization, **One sale does NOT make the market.** It is unlawful for the Assessor and/or the Board of Review to "chase a sale".

For further information see STC Bulletin 19 of 1997.



2016 CPI is 1.003%



It should be the address that appears on your drivers license and voter registration card.

Also Available:

- Conditional Rescind
- Active Military PRE

Disabled Veterans Exemption, The State Tax Commission has determined that the March, July and December Boards of Review have authority to review and grant the exemption. Qualifying veterans or their unremarried surviving spouse must annually file an affidavit and supporting documentation with the Assessor's office.



Rate of inflation (CPI), in 2016 will increase your taxable value by 1.003%. This example will show how it would affect your taxes. A home in Forest Hills schools, with a Taxable Value (TV) in 2015 of \$100,000, would have paid \$2,977.59. In 2016 the TV would be \$100,300 and the taxes would be (using the same millage rate) \$2,986.52 or an increase of \$8.93.



An increase or decrease to your SEV and/or TV can occur when an alteration to your property has occurred. An addition, new construction or demolition are examples of an alteration.



The Assessor's office is open Monday—Friday 8:00 am—5:00 pm. Please stop in or call with any questions you may have, we are here to help.