TAXES * ASSESSMENTS * PROPOSAL A

Proposal A was adopted by a vote of the State electorates March 15, 1994
As it was passed, it amended the Michigan Constitution.

Assessed Value

By order of law, this should represent 50% of the properties usual true cash value, thru Equalization. The property value and values of like properties in the Township change each year by the use of sales studies.

As Proposal A also includes uniformity of Equalization, 1 sale does not make a market. The Assessor and/or Board of Review cannot "chase a sale"
STC Bulletin 19 of 1997.

Taxable Value

This is the number taxes are calculated on. It is the previous year taxable value multiplied by the *''Consumer Price Index (CPI)''* also called the Rate of Inflation, or 5%, whichever is less. 2024 TV $51,119 x 1.031 = 2025 TV $52,704

CPI for 2025 is 1.031 %. An increase other that the CPI factor occurs when there is a transfer of ownership or when there is a physical alteration/addition to the property. A decrease occurs when there is a physical alteration/demo to the property or when the assessed value decreases below the taxable value.
"The taxable value cannot be more than the assessed value"

Uncapping

When a property transfers ownership *as defined by law*, in a given year, the taxable value becomes the assessed value or *uncapped* in the following year. For example, if the property was purchased in 2024, it will be uncapped for 2025 causing the taxable value to become the same as the assessed.

2024 AV = $79,000 2024 TV = $51,119 "Property sold in 2024"
2025 AV = 80,000 2025 AV = $80,000
Based on a millage rate with a primary residence exemption of 26.6162 mills,
2024 taxes were TV $51,119 x rate = $1,360.59.
2025 taxes will be uncapped TV $80,000 x rate = $2,129.30.

What about the neighbor who has a bigger house, more land and an assessed value of $91,000 and they pay less in taxes!?!?! If they have owned the property for several years, their taxable value has been capped and usually much lower in comparison, so their taxes will be much lower as well.

Principal Residence Exemption (PRE)

Also known as a *Homestead.* This is the property that you occupy as your permanent home and contiguous property that qualify. Occupancy is based on where a person intends to return whenever they are away. It should be the address on your driver license and where you are registered to vote. The State of Michigan only allows ***1 primary residence exemption***. If you own property elsewhere and claim that as your PRE, such as in Florida, then you cannot also claim it in Michigan or you could face monetary penalties.

Veterans Exemption

Applicants must file for this exemption to the Assessor. This exemption provides the qualified applicant from paying total property taxes on their primary residence and it will continue unless rescinded or denied by the Assessor. There are documents that must be provided and eligibility requirements met. For information and forms contact the local Assessor or Supervisor.