

## **Conditional Rescission of Principal Residence Exemption**

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, Public Act 206 of 1893. The amendment enables a person who has purchased a new house and established a new principal residence to retain a Principal Residence Exemption (PRE) on their former homestead 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. The conditional rescission allows an owner to receive a PRE on his or her new property and on previously exempted property simultaneously if certain criteria are met. An owner may receive the PRE on the previous principal residence for up to three years if that property is not occupied, is for sale, is not leased, and is not used for any business or commercial purpose.

The opportunity to apply and qualify for a conditional rescission begins for the 2008 tax year and is not retroactive to previous tax years. To qualify for the conditional rescission in 2008, Form #4640 must be submitted to the assessor of the local unit of government where the property is located on or before May 1, 2008. The Board of Review has no authority with regard to a conditional rescission and cannot institute a conditional rescission on behalf of a owner if a deadline is missed or for previous tax years. An owner must annually submit Form #4640 on or before December 31 to verify to the assessor that the property for which the PRE is retained is not occupied, is for sale, is not leased, and is not used for any business or commercial purpose.

The Department of Treasury is in the process of developing a Frequently Asked Question sheet to address various issues related to the new conditional rescission. We hope to have those questions posted on the web some time next week. Form #4640, which includes an instruction page, can also be found at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

If you have any questions regarding conditional rescissions, please feel free to contact your local assessor or you may contact the State PRE Unit at (517) 373-1950 or email Patrick Huber, Manager of the Property Tax Exemption Section, at [huberp@michigan.gov](mailto:huberp@michigan.gov).