

Instructions for Form 2368

Principal Residence Exemption (PRE) Affidavit

General Instructions

Principal Residence Exemption (PRE) exempts a principal residence from the tax levied by a local school district for operating purposes, up to 18 mills.

Principal residence means the dwelling that you own and occupy as your permanent home and any unoccupied adjoining or contiguous properties that are classified residential or timber-cut over.

Owners are defined in MCL 211.7dd(a). Only the owner's listed in MCL 211.7dd(a) are eligible to claim the exemption.

Occupying means this is your principal residence, the place that you reside in as your permanent residence and if absent intend to return. It should be the address that appears on your driver's license and voter registration card. Vacation homes, season homes, and income property are not occupied as your principal residence and may not be claimed.

Claiming a PRE: To claim a PRE, complete this Affidavit and file it with your township or city of the year of the claim. A valid affidavit filed on or before June 1 allows an owner to receive a PRE on the current year summer and winter tax levy and subsequent tax levies so long as it remains the owner's principal residence. A valid affidavit filed after June 1 and on or before November 1 allows an owner to receive a PRE on the current winter tax levy and subsequent tax levies so long as it remains the owner's principal residence.

MCL 211.7cc(3) Disqualifications: An owner is ineligible to claim a PRE if any of the disqualifying factors apply listed in MCL 211.7cc(3).

RESCINDING YOUR EXEMPTION

Within 90 days of when you no longer own or occupy the property as a principal residence, you must complete and file a *Request to Rescind Principal Residence Exemption (PRE)* (Form 2602) or file a *Conditional Rescission* (Form 4640) with your township or city assessor. Failure to do so may subject you to additional tax plus penalties and interest as determined under the General Property Tax Act.

INTEREST AND PENALTY

If it is determined that you claimed property that is not your principal residence, you may be subject to the additional tax plus penalty and interest as determined under the General Property Tax Act.

Line-by-Line Instructions

Lines not listed here are explained on the form.

You must complete each line in its entirety. Failure to complete any of the lines may result in your claim being denied.

PART 1: PROPERTY INFORMATION

Submit a separate affidavit for each property tax identification number being claimed.

Line 1: It is important that your property tax identification number is entered accurately. This ensures that your property is identified properly and that your township or city can accurately adjust your property taxes. You can find this number on your tax bill and on your property tax assessment notice. If you cannot find this number, call your township or city assessor.

NOTE: Do not include information for a co-owner who does not occupy the property as a principal residence.

Line 6: Please list the last four digits of your Social Security Number (SSN). The request for the last four digits of your SSN is authorized under Section 42 USC 405 (c) (2) (C) (i). It is used by the Department of Treasury to verify tax exemption claims and to deter fraudulent filings.

Line 12: If you own and occupy the entire property as a principal residence, you may claim a 100 percent exemption. If you own and live in a multi-unit or multi-purpose property (e.g., a duplex or apartment building, or a storefront with an upstairs flat), you can only claim a partial exemption based on that portion that you use as a principal residence. Please consult your local assessor to determine the percentage of the exemption the owner is allowed to claim in these situations.

If the parcel of property you are claiming has more than one home on it, you must determine the percentage that you own and occupy as your principal residence. A second residence on the same property (e.g., a mobile home or second house) is not part of your principal residence, even if it is not rented to another person. Your local assessor can tell you the assessed value of each residence to help you determine the percentage that is your principal residence. Please consult your local assessor to determine the percentage of the exemption the owner is allowed to claim in these situations.

If you rent part of your home to another person, you may have to prorate your exemption. If your home is a single-family dwelling and less than 50 percent of your home is rented to others who use it as a residence, you may claim a 100 percent exemption. If 50 percent or more is rented to others who use it as a residence or if part of the home was converted to an apartment with a separate entrance, you must calculate the percentage that is your principal residence by dividing the floor area of your principal residence by the floor area of the entire building.

PART 2: CERTIFICATION

Sign and date the form. Enter your mailing address if it is different from the address under Part 1.

MAILING INFORMATION

Mail your completed form to the township or city assessor where the property is located. This address may be on your most recent tax bill or assessment notice. **DO NOT** send this form directly to the Department of Treasury.

If you have any questions, visit www.michigan.gov/PRE or call 517-373-1950.