

Senior Citizen or Totally and Permanently Disabled Person's Affidavit Requesting Special Assessment Deferment

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|-----------------------------------------------------------|-----------|----------------------------------|----------------------------|
| 1. Filer's First Name and Middle Initial | Last Name | 2a. Your Social Security No. | 2b. Your Date of Birth |
| If a Joint Return, Spouse's First Name and Middle Initial | Last Name | 3a. Spouse's Social Security No. | 3b. Spouse's Date of Birth |
| Home address (number and street or RR#) | | | |
| City or Town | State | ZIP Code | 4. Home Telephone Number |

PART I - ELIGIBILITY DETERMINATION *(This part to be completed by applicant)*

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------|
| See instructions on reverse side | | | |
| 5. Are you (a) citizen(s) of the United States? | <input type="checkbox"/> YES | <input type="checkbox"/> NO | |
| 6. Have you been (a) resident(s) of Michigan for five years or more? | <input type="checkbox"/> YES | <input type="checkbox"/> NO | |
| 7. Have you been the sole owner(s) of the homestead for five or more years? | <input type="checkbox"/> YES | <input type="checkbox"/> NO | |
| 8. What is the type or purpose of the special assessment? _____ | | | |
| 9. When is the next installment payment due on the special assessment? | Month | Day | Year |
| 10. Total household income for the past calendar year | \$ _____ | | |
| 11. a. Is there a mortgage or land contract on your homestead? | <input type="checkbox"/> YES | <input type="checkbox"/> NO | |
| b. Has the mortgagee or land contract holder on your homestead consented to this request for a special assessment deferment? (A copy of the written consent MUST BE ATTACHED) | <input type="checkbox"/> YES | <input type="checkbox"/> NO | |
| c. Are you totally and permanently disabled and receiving benefits under Social Security? | <input type="checkbox"/> YES | <input type="checkbox"/> NO | |
| 12. I (we) declare under penalty of perjury that I (we) qualify for the deferment of special assessments on this homestead as defined in P.A. 225 of 1976, as amended; that I (we) have examined this affidavit and to the best of my (our) knowledge and belief it is true, correct and complete; and I (we) acknowledge that the amount of the assessment deferred will be subject to an interest rate of 1/2 of 1 percent per month or fraction of a month (6 percent per year) when the deferment is repaid to the State. IF THIS DEFERMENT IS AUTHORIZED, THE STATE WILL PLACE A LIEN ON YOUR PROPERTY. | | | |
| Signature | Date | Spouse's Signature | Date |

PART II - DEFERRED TAX ASSESSMENT COMPUTATION *(To be completed by local assessor)*

| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|--|
| See instructions on reverse side. | | | |
| 13. Original amount of special assessment (must be \$300.00 or more to qualify; attach tax bill) | \$ | | |
| 14. Amount paid on special assessment by owner | \$ | | |
| 15. a. Amount of assessment to be deferred (line 13 less line 14) | \$ | | |
| b. Amount of line 15a which is delinquent (attach tax bill) to: | | | |
| Local Unit | \$ | | |
| County | \$ | | |
| 16. Complete legal description of owned and occupied homestead: | | | |
| 17. I have examined the above affidavit and determined that the amount claimed is correct. The above named applicant(s) is (are) aware of the 1/2 of 1 percent per month or portion of a month interest provision. The consent of the mortgagee or land contract holder, if applicable, is attached and the requirements of P.A. 225 of 1976, as amended, have been satisfied by the applicant(s). | | | |
| Assessing Officer Signature | | County | |
| City, Village or Township | Federal Employer I.D. No. | Assessor Telephone Number | |

This is a loan to the owner by the State of Michigan. A lien will be placed on the property. The lien will not be removed until the loan has been repaid at the time of sale or transfer of the property.

**Instructions for Form 2748,
Senior Citizen or Totally and Permanently Disabled
Person's Affidavit Requesting Special Assessment Deferment**

PURPOSE

The purpose of P.A. 225 of 1976, as amended, is to defer payment of special assessments for senior citizens or totally and permanently disabled persons who qualify under the act. (For a description of special assessments see instructions for line 8.)

The State of Michigan will pay the entire balance owing of the special assessment, including delinquent, current and future installments. At the time of payment, a lien will be recorded in favor of the State of Michigan. The lien will be subject to interest at 1/2 of 1 percent per month or fraction of a month (6 percent per year), when repaid to the State. The lien will be removed when the deferment, plus interest, is repaid by the taxpayer or the taxpayer's estate.

Owners who meet the qualifications must repay the special assessment on his and/or her homestead when:

- A. The homestead or any part thereof is sold,
- B. The homestead is transferred to another,
- C. A contract to sell is entered into,
- D. One year has elapsed following the owner's death, subject to further order by the Probate Court.

(NOTE: P.A. 403 of 1980, as amended, provides for interest on the amount of deferment, at the rate of 1 percent per month or fraction of a month, if A, B, C or D should apply. Interest will be computed from the date of conveyance, transfer or contractual agreement.)

QUALIFICATIONS

To qualify for the special assessment deferment you or your spouse (if jointly owned) must:

- A. Be 65 years or older at the time of filing of this affidavit.
(Exception: If you or your spouse are totally and permanently disabled, the age requirement is waived by authority of P.A. 360 of 1978, as amended.)
- B. Have been a Michigan resident for 5 years or more and must have owned and occupied the homestead for 5 years or more.
- C. Be a citizen of the United States.
- D. Household income is the total income (taxable and nontaxable) of both spouses or of a single person maintaining a household. It is the sum of adjusted gross income (AGI) plus all income exempt or excluded from AGI. Total household income includes - wages, salaries, tips; net income from a business, rent or farm; Social Security less the amount deducted for Medicare premiums; SSI (Supplemental Security Income), FIA (Family Independence Agency) and FIP (Family Independence Program) benefits; child support; alimony; unemployment, workers' and veterans' disability compensation; pension benefits; interest income; gifts and winnings in excess of \$300.00 and other sources of income for all individuals living in the household. **Household income cannot exceed \$18,732 for the year 2004.**
- E. Have a special assessment of \$300.00 or more.

INSTRUCTIONS FOR SECTION I:

(To be completed by the applicant)

Lines 1-4: Enter your complete name (or names, if owned jointly), homestead address, social security number(s), date(s) of birth and home telephone number.

Lines 5-7: Enter your response by checking the appropriate boxes.

Line 8: Enter the type or purpose of the special assessment on the line provided. A special assessment is an assessment against real property calculated on a benefit or ad valorem basis. Special assessments are assessments for curbs, gutters, sewers, water, connection fees to sewers or water, sidewalks, street paving and drains. Special assessments **DO NOT** include charges for current service.

Line 9: Enter the date of the special assessment for which the affidavit is being made.

Line 10: Enter total household income from your Michigan Homestead Property Tax Credit Claim filed with your state income tax return.

Line 11: Check the appropriate box. If the homestead is mortgaged or under land contract, written consent of the mortgagee or land contract holder allowing applicant to defer the special assessment must be attached. Indicate if you or your spouse are totally or permanently disabled.

Line 12: Sign and date the affidavit after reviewing all answers.

INSTRUCTIONS TO SECTION II:

(To be completed by the assessor)

Line 13: Enter the original amount of the special assessment, including connection fees and all delinquent, current and future installments. To qualify for deferment this amount must be \$300.00 or more, excluding interest.

Line 14: Enter the total amount which has been paid on the special assessment by the owner(s).

Line 15: Subtract line 14 from line 13 and enter the result on line 15a. This is the amount of the lien which will be placed on the homestead. This lien may be removed at any time by paying the full amount of the assessment deferred, plus 1/2 of 1 percent interest per month or fraction of a month. Payments should be made payable to the State of Michigan and mailed to:

Local Property Services
Michigan Department of Treasury
430 W. Allegan Street
Lansing, MI 48922

Enter on appropriate line 15b the amount of the special assessment included on line 15a which is delinquent.

Line 16: Enter the legal description of the homestead as recorded in tax assessment records.

Line 17: Sign and date this affidavit after reviewing each item to determine that the affidavit is filled out completely and correctly. Enter the county and the city, village or township for which you are the assessing officer. Enter your Local Unit Federal Employer Identification Number and your office telephone number.

When special assessments are due, submit affidavit and tax statements to the address above.

QUESTIONS

For more information, see the Frequently Asked Questions (FAQ) on our Web site at www.michigan.gov/treasury. You may also e-mail questions to treasPtd2@michigan.gov.

Frequently Asked Questions (FAQ'S) about Deferred Special Assessments

What is a Special Assessment?

A Special Assessment is an assessment against real property calculated on a benefit or ad valorem basis for curb and gutter, sidewalk, sewer, water, or street paving; a drain; a connection fee or similar charge for a sewer or water system.

What is a Homestead?

Homestead means a dwelling or a unit in a multiple-unit dwelling, owned and occupied, as a home by the owner thereof including all contiguous unoccupied real property owned by the same person. Homestead includes a dwelling and an outbuilding used in connection with a dwelling, situated on the lands of another.

Who is an owner?

Owner includes a person eligible for the special assessment deferment who is purchasing a homestead under a mortgage or land contract or who owns a dwelling situated on the leased lands of another or is a tenant-stockholder of a cooperative housing corporation.

What is 'Household' Income?

Household income is the total income (taxable and nontaxable) of both spouses or of a single person maintaining a household. It is the sum of adjusted gross income (AGI) plus all income exempt or excluded from AGI. Total household income includes - wages, salaries, tips; net income from a business, rent or farm; Social Security less the amount deducted for Medicare premiums; SSI (Supplemental Security Income), FIA (Family Independence Agency) and FIP (Family Independence Program) benefits; child support; alimony; unemployment, workers' and veterans' disability compensation; pension benefits; interest income; gifts and winnings in excess of \$300.00 and other sources of income for all individuals living in the household.

Does the Household Income change from year to year?

The household income as defined above is indexed by the Consumer Price Index every year. **The maximum household income an owner or owners can have in the year 2004 is \$18,732.**

What are the qualifications for obtaining a deferment?

To qualify for the special assessment deferment you or your spouse (if jointly owned) must:

- a. Be 65 years or older at the time of filing of this affidavit; and
(Exception: If you or your spouse are totally and permanently disabled, the age requirement is waived by authority of P.A. 360 of 1978, as amended)
- b. Have been a Michigan resident for 5 years or more and must have owned and occupied the homestead for 5 years or more; and
- c. Be a citizen of the United States; and

- d. Have a household income not exceeding the limit set for the year by law. **For the year 2004 the household income cannot exceed \$ 18,732; and**
- e. Have a special assessment of \$ 300 or more; and
- f. If a mortgage or an unpaid balance on a land contract encumbers the homestead, a deferment of special assessments shall not be made without the written consent of the mortgagee or the land contract vendor. **The consent letter must state that the mortgagee or the land contract vendor understands that the lien by the State of Michigan is the 'First Lien' on the property.**

Who approves the Deferment of Special Assessment?

The deferment application is initially made to the local assessing officer in the city or township where the property is located. After the local assessing officer verifies the information provided, it is forwarded to the Department of Treasury for processing. The Department of Treasury will approve the application if all of the requirements are met.

What happens after the approval by the Department of Treasury?

After the application is approved, the Department of Treasury sends a check to the local unit of government to pay off the special assessment. The Department of Treasury records a lien on the property in favor of State of Michigan.

What do I need to do to release the lien on the property?

The money advanced by the Department of Treasury is a loan to the owner of the property. Like any other loan from a bank, the loan carries an interest (at present ½ of 1% per month). The loan has to be paid back to the State before the lien is released.

The deferred special assessment has to be paid back when the property is sold or transferred. If the owner of the property dies, then the loan needs to be paid within one year after the death. If not, there is an additional interest of 1% per month in addition to the interest until the loan is paid.