

Principal Residence Exemption

Section [211.7cc](#) and [211.7dd](#) of the General Property Tax Act, Public Act 206 of 1893, as amended, addresses PRE claims (formerly known as the Homestead Exemption). A PRE exempts a principal residence from the tax levied by a local school district for school operating purposes up to 18 mills. To qualify for a PRE on a parcel of land, a person must be a Michigan resident who owns and occupies the property as a principal residence. The PRE is a separate program from the [Homestead Property Tax Credit](#), which is filed annually with your Michigan Individual Income Tax Return.

To claim a PRE, the property owner must submit a [Principal Residence Exemption \(PRE\) Affidavit, Form 2368](#), to the assessor for the city or township in which the property is located. The deadline for a property owner to file Form 2368 for taxes levied after December 31, 2011, has changed from May 1 to June 1, and a second deadline of November 1 was added. The exemption information is then posted to the local property tax roll. Normally, when you purchase a home, Form 2368 and other relevant principal residence exemption forms are provided by the closing agents. There are many variables in determining eligibility for the exemption. The [Principal Residence Exemption \(PRE\) Guidelines](#) book provides answers to a number of frequently asked questions.

When a person no longer owns or occupies the property as a principal residence, he or she must file a [Request to Rescind Homeowner's Principal Residence Exemption \(PRE\), Form 2602](#), with the assessor for the city or township in which the property is located to remove the PRE. The PRE will be removed from the local property tax roll by the assessor beginning with the next tax year. Failure to rescind a PRE may result in additional taxes, interest and penalties. Under certain circumstances a person may qualify for a conditional rescission which allows an owner to receive a PRE on his or her current Michigan property and on previously exempted property simultaneously for up to three years. To initially qualify for a conditional rescission, the owner must submit an owner's [Conditional Rescission of Principal Residence Exemption \(PRE\), Form 4640](#) to the assessor for the city or township in which the property is located on or before May 1 of the first year of the claim.