

****A Simple Guide to the Michigan Homestead Property Tax Credit****

(Easy-to-Read Handout for Seniors and Families – Plain English Explanation)

The ****Homestead Property Tax Credit**** (often called the HPTC) is a Michigan state ****income tax credit**** that helps lower-income homeowners and renters get relief from property taxes or rent. It's separate from the ****Principal Residence Exemption (PRE)**** we talked about earlier—that one reduces your actual property tax bill by exempting school operating taxes.

The HPTC is claimed on your Michigan income tax return (or as a standalone form if you don't file income taxes). It can put hundreds of dollars back in your pocket if you qualify. Many seniors and fixed-income folks use it!

Who Qualifies? (As of 2026 – Based on Latest Treasury Info)

You can claim the credit if ****all**** these apply:

- Your homestead (main home) is in Michigan.
- You were a Michigan resident for at least 6 months of the tax year.
- You own ****or**** rent the home (and pay property taxes or rent).
- Your ****total household resources**** (THR) are ****\$71,500 or less**** (this is the key income limit—adjusted yearly).
- If you ****own**** your home: The ****taxable value**** (not market value) of your homestead is ****\$165,400 or less**** (unless it includes unoccupied farmland classified as agricultural).

****Total Household Resources (THR)**** includes more than just taxable income:

- Wages, interest, dividends, business/farm income
- Retirement/pensions, Social Security, unemployment
- Gifts, child support, nontaxable income, etc.
- Subtract certain things like medical insurance premiums or adjustments (see form instructions).

It's broader than federal adjusted gross income—add up everything that flows into your household.

You can only claim **one**** homestead at a time (your true main home).**

How Much Credit Can You Get?

- **Maximum credit is usually around ****\$1,700–\$1,900**** (varies by year; check current max on Michigan.gov).**
- **It's calculated as a percentage of your "excess" property taxes or rent over a portion of your THR (typically 3.2% subtracted from taxes/rent, then 60% of the remainder for most people—or 100% if you're 65+, disabled, veteran, etc.).**
- **The credit phases out if THR is higher (e.g., reduced by 10% for every \$1,000 over certain thresholds in some years).**
- **For renters: You claim 23% of rent paid as "property taxes" (since rent includes hidden property tax).**

Special rules apply for:

- **Seniors (65+), disabled, blind, veterans—often get a higher percentage (up to 100%).**
- **Part-year residents or movers.**
- **Veterans/blind—use special form MI-1040CR-2 in some cases.**

How to Claim It

- **File ****Form MI-1040CR**** (Homestead Property Tax Credit Claim) with your Michigan income tax return (MI-1040), or alone if you don't owe/file income tax.**
- **Deadline: Usually April 15 (or with extension), but you can claim up to ****4 years**** back.**
- **Get the form and instructions free at Michigan.gov/taxes (search "Homestead Property Tax Credit").**

- Many tax software programs (TurboTax, etc.) include it.
- Mail to: Michigan Department of Treasury, Lansing, MI 48956 (if not e-filing).

Quick Tips for Michigan Seniors

- This credit helps if property taxes or rent eat up a big part of your income—great for retirees on Social Security/pensions.
- It doesn't affect your PRE (you can have both!).
- If you're low-income and heat your home, check the separate ****Home Heating Credit**** (MI-1040CR-7)—filed by Sept. 30.
- No need for a lawyer or accountant for simple cases—use free help from VITA (Volunteer Income Tax Assistance) at senior centers or call 2-1-1.
- Recent news: Michigan Treasury reminds folks in 2026 that many qualify but miss out—check even if you think your income is too high (THR rules are specific). Proposals exist to expand it, but use current rules.

Free resources:

- Official page: [Michigan.gov/taxes](https://michigan.gov/taxes) → Individual Income Tax → Credits → Homestead Property Tax Credit
- Forms & instructions: Search "MI-1040CR" on the site
- Treasury news: michigan.gov/treasury
- MichiganLegalHelp.org or call 2-1-1 for referrals

This credit is a real help for keeping housing affordable. If your THR is under \$71,500 and your home's taxable value qualifies, it's worth filing—even if you get a small amount!

Questions? Your local assessor (for taxable value) or Treasury help line can guide you.

(This is general info based on Michigan Department of Treasury guidelines as of March 2026. Amounts/limits adjust yearly—inflation, laws change.)