

CITY OF DETROIT PROPERTY TAX INFORMATION

DETROIT MILLAGE RATES for 401-Residential Real Estate		
TAX YEAR	HOMESTEAD MILLS	NON-HOMESTEAD MILLS
2020	69.6202	87.6202
2021	69.5837	86.4416
2022	69.5080	86.5510
2023	68.5080	85.5510
2024	67.2737	85.2737

If the City of Detroit property tax bills are not available, the millage rates listed above can be used to calculate the homeowner's amount of property taxes levied for the tax year. The homeowner **must** provide proof of the Taxable Value for the year.

NOTES:

- **Property tax classification** – If the classification is other than Residential (401) or Neighborhood Enterprise Zone-NEZ (448), we cannot prepare the Homestead Property Tax Credit Claim.

See information on Neighborhood Enterprise Zones (NEZ) at the bottom of this page

- **Principal Residence Exemption**

The Principal Residence Exemption (PRE) percentage is shown on the property tax bill and also on the homeowner's annual Notice of Assessment. (See the next page for more information on the exemption and how to claim a Principal Residence Exemption.) Assuming a 401-Residential property tax classification:

- If the homeowner has a PRE of 100%, use the homestead rate.
 - If the PRE is 0% **AND** the client owned and occupied the home the entire tax year, use the non-homestead rate (i.e, school operating taxes can be claimed.) Advise the client they should file for the Principal Residence Exemption.
 - If the PRE is any other percentage besides 100% or 0% (e.g., 50% for a two-flat home where the homeowner resides in one flat), the calculation for the amount of property taxes levied is more complicated. See the examples on the next page.
- **Administrative fees** – Remember to include up to 1% of any administrative fees in the calculation of the amount of property taxes levied. (See the examples on the next page.)
 - **Non-homestead rate** – This rate is used by veterans who are renters claiming the property tax credit on Form MI-1040CR-2, Michigan Homestead Property Tax Credit Claim for Veterans and Blind People. See the information sheet in the Site Manual for instructions.
 - **Neighborhood Enterprise Zone (NEZ)** – The property classification is 448-RESIDENTIAL NEZ HMSTD. Homeowners are taxed at the NEZ rate for the home and at the residential rate for the land underneath the home. Therefore, clients should have two property tax bills for each season (summer and winter), one with a property class of 448-RESIDENTIAL NEZ HMSTD and the other with a property class of 401-RESIDENTIAL. The taxable value for the land, the 401 classification, will be much lower than for the home.

The tax advantage for a NEZ Homestead is the reduction in mills for the home (not the land) from certain governmental units. The local governmental unit may grant from six to fifteen years of exemption. The percentage of reduction differs depending on the number of years of exemption and in which exemption year the tax year falls.

Therefore, property taxes levied cannot be determined by using the millage rates for property classified as NEZ. We must have all of the property tax bills for clients who have obtained the NEZ Homestead classification.

EXAMPLES for 401-Residential Real Estate (IF property tax bills are not available):

- (1) 2024 Taxable Value is \$8,570. PRE is 100%. Calculation for the amount of 2023 property taxes levied is: $\$11,570 \times .0672737 \times 1.01 = \786
- (2) If PRE is 0% **AND** the client owned and occupied the home for the entire year, use the non-homestead rate: $\$11,570 \times .0852737 \times 1.01 = \996
(Advise the homeowner to apply for the principal residence exemption; see info. below.)
- (3) 2024 Taxable Value is \$13,177. PRE is 50% and the homeowner lives in one unit of the two-family home. Calculation for the amount of 2024 property taxes levied that can be claimed for the property tax credit is:
 $\$13,177 \times .0672737 \times 1.01 \times 50\% = \448
- (4) If a client with a PRE other than 100% or 0% presents a full copy of both their summer and winter property tax bills, be sure to calculate correctly the amount of property taxes levied they can claim on the Michigan Homestead Property Tax Credit Claim.
 - a) Add together the total amounts shown on the summer and winter property tax bills. (Do not include any summer tax balance due that may be shown on the winter bill.)
 - b) Subtract the School Operating Tax (For 2024 Detroit property tax bills, school operating tax is assessed on both the summer and winter tax bills. In previous years, assessed on only the summer tax bill.), any fees or special assessments (e.g., solid waste fee, multi-unit fee, delinquent water bill, sidewalk assessment) and any penalty/interest charges.
 - c) Multiply the result by the PRE percentage to determine the amount of property taxes levied that can be claimed for credit.

Principal Residence Exemption (PRE)

A Principal Residence Exemption (PRE) exempts a residence from the school operating tax. You must own and occupy your home as your primary residence to be eligible for the Principal Residence Exemption.

To file for a PRE exemption, qualifying homeowners will need to complete a *Principal Residence Exemption (PRE) Affidavit, Form 2368*, found on Michigan Department of Treasury's website at <http://www.michigan.gov/PRE>, and submit it to the assessor for the city or township in which the property is located.

Note: School operating tax on 2024 Detroit property tax bills is assessed on both the summer and winter property tax bills. In previous years, it was assessed only on the summer bill.

Homeowners Property Exemption (HOPE)

The City of Detroit may grant a Homeowners Property Exemption (HOPE), also referred to as the Poverty Tax Exemption or Hardship Program, to qualifying citizens based on household income. If approved, taxpayers will still be responsible for any fees such as the solid waste fee. For more information, visit <https://detroitmi.gov/government/boards/property-assessment-board-review/homeowners-property-exemption-hope>, or taxpayers may call (313) 224-3035.

Solid Waste Fee – City of Detroit

The Solid Waste Fee is \$250 for tax year 2024. The cost will increase by \$10 in 2025 and another \$10 in 2026. (Effective July 1, 2009, and through 2023, the Solid Waste Fee was \$240.) Qualifying seniors (at least age 65 and have a Principal Residence Exemption on file) and other residents who have a HOPE exemption may qualify for a 50-percent discount on the solid waste fee. The application period is July 1 through September 15.

The fee appears as an assessment on the summer tax bill of City of Detroit residential property tax bills. The solid waste fee should **not** be included with either the total amount of property taxes levied for the tax year or the total amount paid for the tax year.