

AFTER TAX CREDIT IMPACT OF MILLAGE PROPOSAL

<u>Michigan Homestead Tax Credit</u>	<u>Federal Income Tax Deduction</u>
<ul style="list-style-type: none">• For Seniors and Non-Seniors, the credit is not available for households with Taxable Values greater than \$135,000 (Estimated Market Value greater than \$270,000).• For Seniors and Non-Seniors, the credit is limited to \$1,200.• For Seniors and Non-Seniors, the credit is reduced by 10% for each \$1,000 of household income above \$41,000 and is not available for households with incomes in excess of \$50,000.• For Non-Seniors, once homestead taxes have reached 3.50% of household income, the Taxpayer would have to pay 40% of the excess.• For Seniors with household incomes below \$21,000, once homestead taxes have reached 3.50% of household income, the Taxpayer would have to pay 0% of the excess.• For Seniors with household incomes between \$21,000-\$30,000, once homestead taxes have reached 3.50% of household income, the Taxpayer would have to pay between 4%-40% of the excess. The exact percentage increases by 4% for each \$1,000 over \$21,000 up to \$30,000.• For Seniors with household incomes above \$30,000 and less than \$41,001, once homestead taxes have reached 3.50% of household income, the Taxpayer would have to pay 40% of the excess.	<ul style="list-style-type: none">• Property taxes are deductible for taxpayers that itemize on their Federal Tax Return. Depending on the tax bracket, the property tax increase may be reduced by 10-35%.

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