



## PRE Frequently Asked Questions

- 1. What is a Principal Residence Exemption (PRE)?**  
In accordance with MCL 211.7dd, a *principal residence* is defined as the "...one place where an owner of the property has his or her true, fixed and permanent home, to which whenever absent, he or she intends to return..." An *exemption* means that the home, after applying and qualifying with the local assessor, is not subject to the tax levied by a local school district for school operating purposes up to 18 mills.
- 2. Why did I get a PRE denial letter?** The Michigan Department of Treasury (Department) mailed a questionnaire requesting documentation to verify that you owned and occupied the property as your principal residence, and either no response to that letter was received or the response received did not verify that you owned and occupied the property as your principal residence for the year(s) being denied.
- 3. How do I appeal a denial of a PRE?** If you disagree with the denial you may appeal by requesting an informal conference with the Department. Your request for an informal conference must be received by the Department within 35 days from the date you received the denial notice. Mail the letter requesting an informal conference and any available documentation the Michigan Department of Treasury, Principal Residence Exemption Unit, PO Box 30440, Lansing, MI 48909. Appeals that are not timely received by the Department will not be granted an informal conference. Your letter requesting an informal conference should explain your reasons for disagreeing with the denial. You should include documentation with your appeal request (see question #5 and #6 below). However, you should not delay filing your appeal request while you compile documentation. The documents can be supplied after you file your initial request for an informal conference. By statute, a denial issued by the Department must be initially appealed to the Department not the Michigan Tax Tribunal.
- 4. How does the Department of Treasury determine a taxpayer's principal residence exemption?**  
Factors to be considered in determining a principal residence include where taxpayers keep their most important possessions, house their family, vote, maintain club and lodge memberships, buy automobile licenses, maintain a mailing address and banking location, operate a business or sue for divorce. However, no one of these factors is controlling.
- 5. What documentation is acceptable to verify occupancy and Michigan residency to show I am entitled to the exemption?** Copies of at least four different pieces of documentation dated between January 1 and May 2 for each of the years being appealed. Some examples of acceptable documents that show the property was occupied as a principal residence of the owner for the year(s) in question are: **a.)** both sides of a driver's license with property address; **b.)** a voter's registration record; **c.)** a cancelled check showing the property address; **d.)** medical billings from physicians in the vicinity of the property; **e.)** utility and property tax bills with the mailing address of the property; **f.)** income tax returns showing the mailing address; **g.)** bank and charge accounts showing purchases in the vicinity of the property; **h.)** an insurance policy showing the mailing address and relevant dates. (*Note: This is not an all-inclusive list and no one item is particularly controlling. When submitting documentation, remember to black out any sensitive information.*)
- 6. What documentation is acceptable to verify ownership?** A warranty deed; quit claim deed; land contract; life estate; life lease (holder of the life lease must have been the prior owner); beneficiary of a will or trust; or a grantor who has placed the property in a revocable trust or a qualified personal residence trust. All documents verifying ownership must either be notarized and/or recorded.
- 7. How do I know if my appeal has been received?**  
You will receive a letter confirming that your appeal has been received by the Department.
- 8. How long will the appeal process take?** It may take several months to complete the review of the appeal.
- 9. Who will review my appeal?** The first step in the review process involves the PRE staff of the Department. The PRE staff will review your appeal information to determine if sufficient evidence exists to reinstate the exemption or partial exemption. If it is found that the exemption should be reinstated, you, the county treasurer, and the local unit assessor will be notified, in writing, that the exemption for the given years has been reinstated. If staff are unable to resolve the matter based on the information you supply, your file will be forwarded to the Hearings Division. The Hearings Division will schedule an informal conference and will notify you of the date, time and place.
- 10. How will I know the result of the appeal review by the PRE staff, if they determine that sufficient evidence was provided to rule in my favor?** If your documentation shows the property was occupied as the owner's principal residence, the denial will be removed for the year(s) in question. You, the county treasurer and the local unit assessor will be notified, in writing, that the exemption will be reinstated.
- 11. How will I know the result of the appeal review by the PRE staff, if they determine that insufficient evidence was provided to rule in my favor?** If your documentation does not show that the property was occupied as the owners principal residence, a letter will be sent to you advising that your file will be forwarded to the Hearings Division for an informal conference. That office will notify you of the date, time and place of the informal conference.