



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

Principal Residence Exemption Audit Notice

<p>RE: PARCEL #</p>	<p>YOU MUST RESPOND WITHIN 30 DAYS</p>
---------------------	---

Dear Taxpayer:

The Michigan Department of Treasury (Department) is conducting an audit to ensure that only persons eligible for a Principal Residence Exemption (PRE) receive the exemption on the property. This audit period covers the 2016, 2017, 2018, and 2019 tax years. Our records indicate that you are receiving, or have received at some time in the past four years, a PRE on the property listed in Part 1 of the enclosed PRE Audit Questionnaire.

Please complete and return the enclosed Questionnaire and required documents proving ownership and occupancy in the enclosed envelope **within 30 days** from the date on this letter. **The Questionnaire must be completed even if you no longer own the property detailed in Part 1 of the enclosed Questionnaire.** If the Questionnaire is not returned in a timely manner, the PRE on the above referenced property will be denied. **The denial of the PRE will require you to pay additional taxes and potential interest for up to four years if you improperly received the exemption benefit.**

If you have a question regarding the PRE and/or how to complete the Questionnaire, please review the frequently asked questions shown on the back of this letter and/or contact the PRE Audit Call Center at **(888) 909-2799, between 9 a.m. and 5 p.m., Monday through Friday.** You can also e-mail* your questions to **PRE@tma1.com.**

Your local assessor can answer general questions regarding the PRE but cannot answer specific questions regarding this Michigan Department of Treasury audit.

Additional information on the Michigan Principal Residence Exemption Program can be found on the web at **www.michigan.gov/PRE.**

Thank you for your cooperation.

Principal Residence Exemption Audit Center
Michigan Department of Treasury

Enclosures

**Disclaimer: E-mail is not a secure method of transmitting personal/confidential information. Ensure that the intended recipient's e-mail address is correct.*

Principal Residence Exemption (PRE) Audit Frequently Asked Questions

1. What is a Principal Residence Exemption (PRE)?

A Principal Residence Exemption (PRE) exempts a principal residence from the tax levied by a local school district for school operating purposes up to 18 mills. MCL 211.7dd(c) defines a “principal residence” as the one place where a person has his or her true, fixed, and permanent home, to which, whenever absent he or she intends to return. A “principal residence” also includes all of an owner’s unoccupied property classified as residential or timber-cutover that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Owner is defined in MCL 211.7dd(a).

2. If I no longer own the property listed in Part #1 why do I need to complete this questionnaire?

The audit covers the current year and 3 years prior. If you were an owner of the property shown in Part #1 of the questionnaire during any of those years you will need to complete the questionnaire with the applicable information for the years you were the owner.

3. What will happen if I do not return the questionnaire or send it back incomplete?

If the Questionnaire is not returned in a timely manner or is returned incomplete, the PRE on the parcel referenced in Part #1 of the questionnaire may be denied and you may be responsible for additional taxes and interest.

4. Why was my property chosen to be audited?

We were unable to verify that you owned and occupied the property as your principal residence or met the other requirements stated in MCL 211.7cc and MCL 211.7dd for the year(s) under audit.

5. 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.

6. What documentation is acceptable to verify OCCUPANCY?

Proof of occupancy as a principal residence does not depend on any particular fact, but on whether all the facts and circumstances taken together tend to establish that the property was occupied by the person asserting eligibility for the PRE. Documentation should be for the years of the audit that you owned the property. Generally, documentation demonstrating occupancy may include:

- A. Both sides of a driver’s license with the property address.
- B. Federal and/or State Income Tax returns with the property address
- C. A voter’s registration record.
- D. Motor vehicle registration.
- E. Utility bills with the mailing address of the property.
- F. Cable bills with the mailing address of the property.
- G. Telephone bills with the mailing address of the property.
- H. Bank and charge accounts showing purchases in the vicinity of the property.
- I. Medical bills with the mailing address of the property.

NOTE: Ultimately, the burden of proof is on the taxpayer to prove eligibility for a PRE. When submitting documentation, remember to blackout any sensitive information.