

Adding an Accessory Structure with running water to your property?

Things you need to know.

The Michigan State Tax Commission defines a dwelling as a building designed or used as the living quarters for one or more families. If it has a separate entrance, heat and a bathroom, it does not need a kitchen, **it will be assessed as a second dwelling**. It does not need to be a separate building. Living area with a separate entrance does not qualify for a Principal Residence Exemption.

According to [Michigan Compiled Law 211.7cc \(11\)](#), if the homestead is part of a unit in a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, an owner shall claim an exemption for only that portion of the total taxable value of the property used as the homestead of that owner in a manner prescribed by the Department of Treasury. If a portion of a parcel for which the owner claims an exemption is used for a purpose other than as a homestead, the owner shall claim an exemption for only that portion of taxable value of the property used as the homestead of that owner in a manner prescribed by the Department of Treasury.

The Michigan Department of Treasury has issued guidelines for the Michigan Principal Residence Exemption.

Two of the questions and answers by the Department of Treasury regarding this subject are as follows:

Q. A person owns a property with two dwellings on it; the second dwelling has water service but no kitchen or bathroom. Should the exemption be prorated?

A. Yes. If both structures are **assessed** as dwellings, the exemption must be prorated based on the portion of the taxable value of the property used as the principal residence.

Q. An owner has an attached garage with an upper level that was used for storage. The owner converted the storage space to an apartment. Is the owner still entitled to an exemption?

A. Yes, but not a 100% exemption. The owner is only entitled to that portion of the taxable value of the property used as the principal residence of that owner.

To receive an estimate of the increase to your taxes, please contact the Springfield Township Assessing Department at **(248) 846-6530**.

Signature of Applicant

Date

Property Address