



Principal Residence Exemption Audit

A Principal Residence Exemption (PRE) exempts a residence from the tax levied by a local school district for school operating purposes up to 18 mills. Section 211.7cc and 211.7dd of the General Property Tax Act, Public Act 206 of 1893, as amended, addresses PRE claims. To qualify for a PRE, a person must be a Michigan resident who owns and occupies the property as a principal residence. The PRE is a separate program from the [Homestead Property Tax Credit](#), which is filed annually with your Michigan Individual Income Tax Return.

Annually both the Township Assessor and the Michigan Department of Treasury (Department) conduct audits in accordance with Section 8 of Michigan Compiled Law [211.7cc](#) to ensure that only persons eligible for a PRE receive the exemption. Audits generally cover the current tax year and the three immediately preceding tax years. If the Assessor finds a potentially questionable PRE a letter is generated to the property owner requesting information, and the exemption is conditionally removed from the assessment / tax roll for future years. If a response isn't received within 30 days further action may be taken.

During the State audit process, the Department sends a [PRE Audit Letter](#) and a [PRE Audit Questionnaire, Form 4632](#) regarding questionable PREs to obtain additional information on the property and/or owner(s). The Questionnaire must be completed and returned within 30 days. If you receive a Questionnaire but no longer own the property listed on the top of the Questionnaire, you must still complete it and return it within 30 days.

If the Questionnaire is not returned in a timely manner, the PRE on the property may be denied. The denial of the PRE may require you to pay additional taxes and interest for the years you improperly received the exemption benefit, up to four years even if you no longer own the property. The frequently asked questions sheet regarding [PRE Denials by the Department of Treasury](#) provides additional information regarding the denial and appeal process.

If you have a question about how to complete the Questionnaire, please contact the State 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 question to PRE@reason.consulting. However, if you have questions regarding general PRE issues or an appeal of a PRE denial, please contact the State PRE Unit at (517) 373-1950 or e-mail your question to PTE-Section@michigan.gov.

Your Township assessor will not be able to respond to questions regarding Michigan Department of Treasury audits.

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MI Tax Exempt Number: 38-600-6265

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