

## Property Tax Relief Using The Mathieu-Gast Act

Owners who rehabilitate their own homes should consider using the *Mathieu-Gast Act*, MCL 211-27(2) to seek relief from assessments increased because of improvements made to their homes. This law benefits all Michigan homestead property – not just historic properties.

### **How Does It Work?**

The act provides that the assessor shall not consider any *increase* in *true cash value* resulting from normal repairs, replacement, and maintenance made or completed after December 30, 1976 when determining the true cash value of the whole property, i.e. its assessment. This increase is not included in the assessment until the property is sold.

Note that the value excluded from the assessment is *not the cost* of repairs or improvements, but the *value which that repair or improvement adds to the sale value of the property* which is often not the same.

The *Mathieu-Gast Act* is not a matter of choice for the assessor – it is a requirement of law.

### **Eligible Repairs**

The following are considered normal repairs and are eligible for exclusion from True Cash Value if not part of new construction.

1. Exterior painting,
2. Repairing or replacing roofing, siding, porches, steps, sidewalks and drives,
3. Repainting, repairing or replacing existing masonry,
4. Replacing existing awnings,
5. Adding or replacing gutters and downspouts,
6. Replacing storm windows or doors,
7. Adding insulation or weather-stripping,
8. Rewiring,
9. Replacing plumbing and light fixtures,
10. Replacing furnace with new furnace of same type; replacing oil or gas burner,
11. Plaster repairs, inside painting or other redecorating,
12. Replacing ceiling, wall, or floor surfacing,
13. Removing partitions to enlarge rooms,
14. Replacing interior woodwork.

### **Using the Act**

Contact your local assessor's office or building department to obtain a copy of form #4293.

In some municipalities, assessors routinely exclude painting and other routine repairs when determining the true cash value. They may also know about repair work automatically from building permits. If you want to be sure your improvements are excluded however, you should apply.

*If you do not file for non-consideration of the improvements, the assessor may have no grounds on*

*which to exclude your improvements. Work that is done without a permit – where one is required – will not qualify for exclusion.*

Each year's assessment may only be appealed in that year, so any benefits of Mathieu-Gast not received in past years are lost to the taxpayer. However, any Mathieu-Gast eligible improvements made after 1976 when the act took effect should be reported to the assessor. Increase in value resulting from all such improvements should then be excluded from future assessments.

\*\*\*\*\*

Michigan Historic Preservation Network

1993