

## Eddie Sleeper

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**From:** Marie Sherry <msherry@dextermi.gov>  
**Sent:** Tuesday, February 13, 2018 4:41 PM  
**To:** Eddie Sleeper; Rep. Jim Tedder (District 43)  
**Cc:** chackbarth@mml.org  
**Subject:** HB 4362

Dear Tax Policy Committee Chair Tedder and Tax Policy Committee Clerk Sleeper:

I am writing to you in support of the concept behind HB 4362, which I understand will be a discussion item at your February 14<sup>th</sup> meeting. I am a long-time municipal treasurer who has a 10% service-connected disability from my service in the United States Navy, so I understand both "sides" of this issue. When we first became home-buyers here in Michigan in 1992, after my enlistment was complete, there was an income tax credit available to me that was very helpful in allowing us to afford our new house. As a veteran who is involved with my local American Legion, I interact with veterans who are totally and permanently disabled, and know that they appreciated the legislature's actions when the current veterans tax exemption was approved.

However, there was a flaw in the veterans tax exemption legislation. That flaw is that it allowed the State to feel good while spending other people's money. Cities, townships, villages, libraries, counties schools – we are the ones funding this exemption. Not only do we lose money from our general operating funds, we also lose money from activities that our residents have deemed to be important by voting for special taxes. Public safety, parks, roads, veterans services, mental health, capital improvements. The exemption as it currently exists takes scarce funding away from those activities as well and in extreme cases could even lessen a community's ability to make debt payments. Plus the administration of the law is a burden on local units when dealing with property transfers between eligible veterans and non-eligible owner, in both the assessor's office and the treasurer's office.

I appreciate the concept of HB 4362 and the recognition that the State should be funding this exemption, not the local units. I am concerned that the House Fiscal Agency states that if the legislature and governor choose to not appropriate the funds to reimburse local units for their losses then this bill could become moot even if approved by the legislature. A better option in my mind would be to cut out the process of reimbursing locals and instead make this a tax credit against the veteran's income taxes. This would eliminate the burden on the local units and place it back into the hands of the State, where, in my opinion, it belongs. However, if that solution isn't an option that is palatable to the legislature, then HB 4362 is a good starting point as long as the funding mechanism is somehow addressed.

Thank you very much for your time and consideration.

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