

# Homeowner rebates better than rollback — Blanchard

By Tim Richard  
Staff writer

Gov. James Blanchard wants to increase property tax rebates 10 percent to homeowners and renters.

He also wants to write taxpayers a separate rebate check so they won't confuse their property tax rebates with their income tax refunds.

"But he will resist any effort to roll back the 1983 state income tax hike earlier than its scheduled expiration date of 1987."

"It is clear that Michigan's property tax is the most burdensome of our state taxes," the governor said as he launched his campaign in several Michigan cities last week.

"By comparison, Michigan's income tax and sales tax are below many states. It's the property tax that's way out of line."

HERE'S HOW the rebate system works and how Blanchard would change it.

If your property taxes are in excess of 3.5 percent of your household income, then the state rebates you 60 percent of the excess tax.

Michigan property taxes — which sup-

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— Gov. James Blanchard

port county, community college, city, township and school district governments — total \$5 billion a year, state Treasurer Robert Bowman said. Of this, \$3 billion is paid by residences.

In calendar 1984, the state paid back \$644 million in residential rebates. Blanchard proposes to use \$85 million of a projected \$70 million state surplus to fatten the rebate package to about \$720 million. The latter checks would be sent out in 1988.

Bowman said 1.5 million Michigan families — about 58 percent of the total — receive rebates. Nearly all are below the \$68,000 income level.

The average rebate is \$400. It would increase to \$440 if Blanchard's plan passes the Legislature, Bowman said.

The rebates would be hiked by increasing the dollar amount though not by lowering the threshold below the current 3.5 percent of income. "There's no need to tinker with the system," Blanchard said.

ALTHOUGH STATE political leaders speak proudly of the rebate system, sometimes known as the "circuit breaker," Blanchard said there's a lot of confusion of the property tax rebate with the income tax refund.

So beginning with 1986 refunds (for the 1985 tax year), the state will issue separate checks, Bowman said.

In 1968-9, when Gov. William G. Milliken inaugurated the system, a single check was sent out with no differentiation between income tax refund and property tax rebate.

In recent years, the treasurer sent out a single check but noted on the stub that part was for an income tax refund and part for a property tax rebate (see sample in photo).

To further educate the public, Bowman's office will operate a toll-free hot line to answer questions from 8 a.m. to 8 p.m. daily on state and taxes and the rebate. The number is 1-800-292-MICH.



Gov. James Blanchard property tax "burdensome"

WHILE REPUBLICAN lawmakers continued to call for a rollback in the income tax rate, two suburban Democrats appeared at Blanchard's news conference near Detroit Metropolitan Airport to endorse the plan.

Rep. Justine Barna, D-Westland, in her second House term after nearly 17 years on the Westland City Council, called the property tax "most regressive." She agreed with Blanchard that "people do not understand the circuit breaker."

Rep. James Kostera, D-Canton, said rebates are important to western Wayne County homeowners because of "very dramatic inflationary pressures in the 1970s; and the large millage increases they voted." The freshman legislator said he was "encouraged" by the Blanchard plan.

## Seminar offers builders advice

NCI Associates Ltd. will offer a free seminar on obtaining a Michigan residential builder's license, 6-9 p.m. Thursday, Jan. 24.

The seminar will be at Birney Middle School, 37225 Evergreen (corner of 11 Mile and Evergreen), Southfield. This program will be an introduction to the course "Residential Builders Fundamentals" and is designed for the general public or skilled trades. No previous training or experience is required.

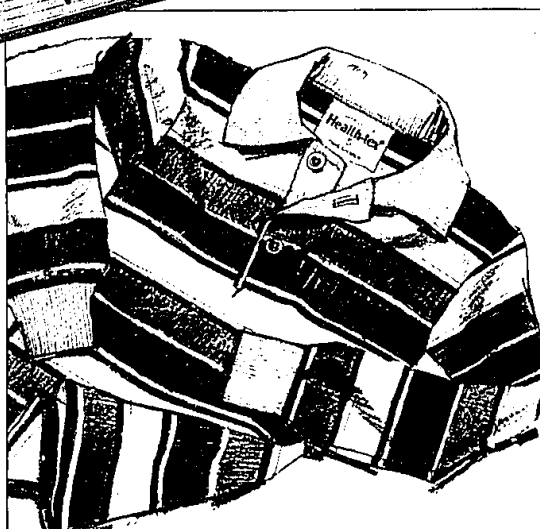
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83 REFUND EXPLANATION: INCOME TAX REFUND	165361702		10.00
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TOTAL			551.00
REFUND INFORMATION WILL BE FURNISHED TO THE INTERNAL REVENUE SERVICE			
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This stub shows how state income tax refunds and property tax rebates are lumped into the same check. In 1986 the state treasurer will send out two separate checks.



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