

Eddie Sleeper

From: Kathleen Devereaux <kcdevereaux@yahoo.com>
Sent: Wednesday, May 15, 2024 9:39 AM
To: Eddie Sleeper
Subject: HB 4572 Public Comment

Dear Mr. Sleeper,

Regarding HB 4572 (Rep Slagh) I would appreciate it if my comment below could be entered into the record of today's hearing of the Tax Policy Committee.

HON. CYNTHIA NEELEY, CHAIR, AND MEMBERS OF THE HOUSE TAX POLICY COMMITTEE:

With all due respect to the late Peter Pettalia who sponsored the original amendment to MCL 211 section 27a, eliminating uncapping for certain family transfers, I believe this entire amendment has wreaked hardship upon families, school districts and municipalities alike. This amendment, passed during a lame duck session of 2013, with very little fanfare, or opportunity for public comment, was clearly intended by to benefit wealthy individuals so that they could transfer, or inherit, very valuable lakefront or otherwise high-end real estate to or from close relatives without having the taxable value of said properties increase to reflect the true cash value as of the date of transfer.

Ever since the effective date of this amendment in 2014, there are property owners who purchased or inherited from family members before 2014 whose property taxes are triple what are being paid by beneficiaries of inter-family transfers after the effective date, whose taxable value remained capped at a low amount.

The current amendment to the amendment being discussed today, HB 4572, in effect represents a continuing effort to tweak the already arbitrary impact of the Pettalia amendment by expanding definitions of close kin. But what about conveyances in trusts to grandparents? What about aunts and uncles? Nieces and nephews? Cousins? Hitherto unknown relatives discovered through Ancestry.com?

Rather than embellishing the first class cabins on the Titanic, why not consider repealing the Pettalia amendment altogether?

Or rectify a modicum of the unfairness by making the entire amendment retroactive to the effective date of Headlee in 1995?*

* (NB the proposed amendment before you today provides for limited retroactivity (to 2022—why?) of subsection 27a(7)(u)—*not* applying to grandparents apparently?)

Thank you for your attention.

Respectfully submitted,

Kathleen Devereaux

Birmingham, Michigan