

Q. What is a Principal Residence Exemption (PRE)?

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A. A Principal Residence Exemption (formerly known as a Homestead Exemption) provides a reduction in local property taxes to residential property owners who own and occupy the property as their principal residence. The Principal Residence Exemption entitles the homeowner to receive an 18-mill reduction in the millage rate.

The Principal Residence Exemption applies to a single primary residence and adjacent, vacant properties. A principal residence is defined as "the one place where an owner of the property has his or her true, fixed and permanent home to which, whenever absent, he or she intends to return.

To establish the occupancy of the property as a principal residence, the Michigan Department of Treasury will accept drivers license, voters registration card, cancelled check listing the address, medical and bank statements, insurance policies and income tax records.

If the property use is split between residence and business use, the Assessor will need to make a visual property inspection to determine the P.R.E. allocation percentage.

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