



CITY OF DETROIT  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF THE ASSESSOR  
SPECIAL PROCESSING AND VALUATION OPERATIONS

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## Frequently Asked Questions Neighborhood Enterprise Zone (NEZ) – Homestead Tax Relief Program

Starting in 2006, the City of Detroit began a program offering tax relief to specific geographic areas. Many residents have been interested in the NEZ, but are unsure how to go about it. Here are some FAQ's:

### 1. Who is eligible?

If you purchased your home after January 1, 1997, it is your principal residence, and you have completed \$500 worth of improvements to your home since its purchase, you are likely eligible for a tax cut. Two-family properties are also eligible if it is the owner's principal residence.

### 2. How much is the reduction?

The NEZ tax abatement adjusts the rate of the City and County operating mills by 50%.

*\*This millage rate varies yearly - therefore the NEZ millage rate varies also.*

*\*Only the City and County operating mills are abated - all other homestead mills are applicable.*

### 3. How long does the tax abatement last?

15 years.

### 4. How do I apply?

You must apply in person at the City Assessor's Office, which is located in the Coleman A. Young Municipal Center, 2 Woodward Avenue, Room 804, Detroit, MI 48226.

### 5. Is there a deadline?

No there is not a deadline.

*For example:* If you recently purchased your home, you can apply prior to December 31<sup>st</sup> to be eligible for the upcoming tax year. You do not have to reapply every year.

### 6. What documentation do I need to bring?

Please bring three copies of your driver's license and three copies of your property deed.

### 7. My mortgage company pays my taxes through my escrow account. Do I have to inform them of this change?

It will be wise to notify your mortgage company of this program, once you have been approved, to transition the change of your escrow more smoothly. The first year, and every eligible year thereafter, they will receive four tax bills: one for the land and one for the house (improvements), each in the summer and winter. This is due to the land on which your house sits which is not eligible for the program, just the house itself. If your mortgage company understands these bills, it may help avoid mistakes later on.

### 8. How will I know when my taxes have been reduced?

You can log into the City of Detroit Office of the Assessor Online Property Tax Payment and Information System:

<http://www.detroitmi.gov/fintreasury>

There is no charge for this system as long as you set up an account and verify your property address. Changes will be reflected after the next tax billing cycle.