



Infrastructure improvements and income tax cuts

Within the Governor's January State of the State message was discussion of a continued need to enhance Michigan's infrastructure. Many in the Legislature are discussing reductions in the income tax. Given the potential costs to state coffers of either idea, coupled with the turnover in membership of the Michigan Legislature due to our restrictive legislative term limits, we are educating 40 new legislators as to the existing tax burdens associated with a transaction. We remain consistent: Infrastructure proposals should be paid for with some sort of nexus to the users of the service. We also volunteer that when tax revenues drop significantly, the idea of expanding the sales tax base to further include services surfaces. *Taxing of commissions and affiliated services around a transaction would devastate our Association membership.*

Short-term vacation rentals

Legislation will be introduced soon to prevent a local government's ability to ban short-term vacation rentals. It is becoming increasingly popular for local governmental units to entertain the idea of banning short-term vacation rentals and then act adversely to property rights in this arena. *Rental rights are key to the value of one's property. Short-term property rentals are important to the culture of many communities around the state.* We are heavily engaged in this debate.

First-time homebuyer savings accounts

We are drafting legislation that will create a tax-free savings account for a first-time home purchase. Working in the spirit of how one can currently save for educational expenses and realize tax benefits, three other states have successfully implemented this concept. Given the student loan debt situation facing potential buyers in the coming years, this tool could help support our market long-term.

Property tax record data

Legislation was signed recently that allows for a better access at a reasonable cost structure in requesting quality electronic property tax record data from a County Treasurer. *We are working to see this concept be made applicable to townships and municipalities: Quality tax record data accessible at a reasonable cost.*

Secondary mortgage market reforms

Expect proposals to surface in the coming year that could substantially change the government's role in the mortgage market. *NAR will be engaged to make sure that over the long-term in a stronger or challenged market that buyers have access to capital supporting our market and mortgage options for our clients.*

Federal tax reform

Realtors® will soon see sweeping tax reform proposals on the table in Congress. The tax code currently contains provisions that are important to and help incentivize the owning, buying, and selling of real property. Additionally, we will be reviewing the impact any changes would have to industry practitioners and their business. *We will be engaged in discussions as to how any changes would impact the market and dues paying members.*

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