

Nursing Home Residents Can Now Maintain Their Principal Residence Exemption

Individuals who reside in a nursing home or assisted living facility can now continue to claim a Principal Residence Exemption ("PRE") on their primary residence. The General Property Tax Act was amended by Public Act 133 of 2018, with an effective date of May 3, 2018. In order to continue to claim the PRE, the owner must intend to return to the property and may not establish a new principal residence.



The exemption is also permitted for individuals residing in "any other location," as long as the individual is residing there solely for purposes of convalescence. According to the Department of Treasury, "convalescence" is defined as "a state of recovering from a disease, operation, or injury".

The Amendment also removed the requirement that a property must be unoccupied in order to qualify for the PRE. Note however that the property cannot be leased or used for any commercial purpose. An occupant of the property who is not the owner cannot pay rent or even utilities or property maintenance, or the PRE will be jeopardized.

If you have any questions regarding the Principal Residence Exemption, or any other real estate matter, please contact [Stacey L. DiDomenico](#), [Gregg A. Nathanson](#) or any other Couzens Lansky [real estate attorney](#).