

# **HOLTON TOWNSHIP**

## **POVERTY EXEMPTION POLICY & GUIDELINES**

Adopted March 8, 2022

This policy was written in accordance with and governed by MCL 211.7u, as amended.

In order to be eligible for the poverty exemption, the claimant **MUST** do all of the following on *an annual basis*:

1. Own and occupy as your principle residence, as defined in Section 7dd of the General Property Tax Act, the property for which the exemption is requested;
2. File a claim with the Board of Review after January 1<sup>st</sup>, but before the day prior to the last day of the Board of Review, on a form approved by the State Tax Commission (STC);
3. Provide federal and state income tax returns for all persons residing in the principal residence (also referred to as "household" or homestead"). These income tax returns are those filed in the current year or in the immediately preceding year. If you did not file a Tax Return, then you **MUST** get a statement of benefits paid from the Social Security Administration or Michigan Department of Social Services and/or file an affidavit to affirm you were not required to file a Federal or State Tax Return;
4. Provide a valid driver's license or other form of identification;
5. Produce a deed, land contract, or other evidence of ownership of the property for which the exemption is being requested;
6. Meet the federal poverty income guidelines for the household, which are updated annually in the federal register by the United States Department of Health and Human Services; and
7. Meet the claimant and total household asset levels set by Holton Township.

### **INCOME & ASSET GUIDELINES FOR POVERTY EXEMPTIONS**

If your income exceeds the amounts attached or your assets exceed the amount shown, you are **NOT** eligible for a Poverty Exemption.

**Income Eligibility Updated Annually by the State Tax Commission: See Attached March BOR Bulletin for Income Levels.**

### **Asset Eligibility**

Applicants shall not have more than \$15,000 in assets to be eligible for consideration and no more cash than an amount equal to one month's gross household income. Assets do not include the primary residence including the minimum amount of land required to meet zoning. Assets do not include 1 automobile per licensed driver residing in the primary residence.

# GUIDELINES BY WHICH POVERTY EXEMPTIONS ARE DETERMINED

Completed application form and all required documents and attachments MUST be filed with the City Assessor's Office after January 1<sup>st</sup> and before the final meeting of the Board of Review in December.

March 1: For action by the March Board of Review; or

July 1: For action by the July Board of Review; or

December 1: For action by the December Board of Review.

Sign the form when you return it to the Assessor's Office.

NOTE: The filing of a claim constitutes an appearance before the Board of Review. Also, the dates for filing will be updated annually in accordance with the State of Michigan Property Tax Calendar.

1. The Board of Review determines if Income Standards have been met.
2. The Board of Review determines if Asset limits have been met.
3. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner and all members of the household. Any attempt to hide and/or shift assets to another person, business or corporation shall be grounds for denial.
4. Applications must be filed every year. If granted, the exemption is for one year only.
5. Applications will be reviewed by the Board of Review. The Board may ask applicants, or their authorized agents, to be physically present to answer questions. Teleconferencing for the purpose of asking questions of the applicant is allowable if the applicant is unable to attend.
6. Applicants, or their authorized agents, may have to answer questions regarding such subject as financial affairs, health and/or the status of people living in the principle residence at a meeting that is open to the public.
7. All Applications will be evaluated based on data and statements given to the Board by the applicant. The Board may also use information gathered from any other source.
8. The Board of Review shall follow the policy and guidelines established herein when granting or denying an exemption.
9. Household income limits are adjusted annually to comply with the Federal Poverty Guidelines.
10. Applicants will be sent a written notice of the Board of Review's final decision. An applicant may appeal the Board of Review's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board of Review's decision. Appeals must be filed with the Michigan Tax Tribunal by the following dates:

An appeal of a claim for a poverty exemption must be filed by June 30, if the claim was denied at the March board of review. A claim must be filed within 30 days if the July or December board of review (which are held to correct errors in the roll) denies a claim of exemption.

## Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

**To be considered complete, this application must:** 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

<b>PART 1: PERSONAL INFORMATION</b> — Petitioner must list all required personal information.				
Petitioner's Name			Daytime Phone Number	
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents	
Property Address of Principal Residence		City	State	ZIP Code
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit		
<b>PART 2: REAL ESTATE INFORMATION</b>				
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.				
Property Parcel Code Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
<b>PART 3: ADDITIONAL PROPERTY INFORMATION</b>				
List information related to any other property owned by you or any member residing in the household.				
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.			Amount of Income Earned from other Property	
1	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

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**PART 4: EMPLOYMENT INFORMATION** — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

**PART 5: INCOME SOURCES**

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (Indicate which)

**PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION**

List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

**PART 7: LIFE INSURANCE** — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

**PART 8: MOTOR VEHICLE INFORMATION**

All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

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**PART 9: HOUSEHOLD OCCUPANTS** — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

**PART 10: PERSONAL DEBT** — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

**PART 11: MONTHLY EXPENSE INFORMATION**

The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

Continue and sign on Page 4

**NOTICE:** Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

#### **PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT**

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

☐ The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

#### **PART 12: CERTIFICATION**

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date

**This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.**

**Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.**

Michigan Tax Tribunal  
PO Box 30232  
Lansing MI 48909

Phone: 517-335-9760  
E-mail: [taxtrib@michigan.gov](mailto:taxtrib@michigan.gov)

Michigan Department of Treasury  
4988 (05-12)

## Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1993; MCL 211.7u.

**INSTRUCTIONS:** When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, \_\_\_\_\_, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Person Making Affidavit

\_\_\_\_\_  
Date

Size of Family Unit	Poverty Guidelines
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660
For each additional person	\$4,540

**Note:** MCL 211.7u states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 3 of 2021 for more information on poverty exemptions.

**Note:** PA 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This includes the owner of the property who is filing for the exemption.

### C. Poverty Exemption: PA 253 of 2020 and Important Reminders

Public Act 253 of 2020 was signed into law on December 23, 2020. The Act made several changes to the poverty exemption statute (MCL 211.7u) that will impact how local units, assessors, and boards of review handle the exemption starting with the 2021 tax year.

Based on the Audit of Minimum Assessing Requirement reviews conducted in 2021, 50% of the local units reviewed **were not** following the new requirements in the law for poverty exemptions. It is important for assessors to review and understand the changes to the poverty exemption statute and to work with local officials and boards of review to ensure the necessary policies and guidelines are in place and are being followed. The governing body of the local unit may need to revise its policy and guidelines to make sure to comply with the law changes. An income test and an asset test are still required.

The Board of Review shall approve or deny the request for the poverty exemption. The Board of Review is required to follow the policy and guidelines adopted by the local assessing unit in granting or denying a poverty exemption. **The Board of Review is**