

Any Town Michigan
Guidelines for Poverty Exemption Review (Attachment “A”)

I. General Overview

The board recognizes the need to have available a procedure by which residents in need of assistance under MCL.211.7u can make an application for property tax relief.

The Board further recognizes that, pursuant to statute, as well as case law, they must adopt procedures and guidelines for the **{Your Unit of Government}** Board of Review, to be used as standards when considering appeals made based on financial hardship. These guidelines must be adhered to when reviewing hardship appeals, and grants the right to the Board of Review to make individual considerations within their authority, as they feel necessary. Any form submitted that is inaccurate or not fully completed will result in a denial of the appeal. All information in the form is subject to verification by the Board of Review.

II. Basic Filing Requirements

In order to be considered for exemption under MCL 211.7u each applicant must:

- A. Own and occupy the property as a homestead, defined by law, for which the request is being made. This may include vacant, contiguous property as long as it is considered part of the principal homestead.
- B. Complete and submit an Application for Tax Exemption on a form designated and supplied by the **{Your Unit of Government}** Assessing Office.
- C. Submit income verification as required. This must include current Federal and State Income Tax Returns, State Homestead Property Tax Credit Forms, or any additional information requested by the Board of Review.

III. Processing Application

Once an application is completed and returned to the assessor’s office, it will be reviewed by the assessing staff. The assessing staff will complete and attach a hardship worksheet to each appeal. The worksheet will summarize the application and provide the Board of Review with specific information, income of the applicant, an estimated tax amount of the property, a summary of the estimated Homestead Property Tax Credit for the property and the estimated net property tax liability of the homeowner.

After the above referenced information is compiled, the entire packet will be submitted to the Board of Review to be considered for tax relief in a work session. The Board of Review, in making their decision, may contact the applicant for any additional information they deem necessary. The Board of Review shall also reject any application where the information contained in it appears to be fraudulent, misleading or incomplete.

IV. Income Guidelines

The income guidelines used by the Board of Review have been established in accordance with P.A. 390 of 1994 and shall be adhered to unless accompanied by special circumstances. In determining qualifications for tax exemption, the Board of Review shall consider every variable on the application, including total household income, the nature and duration of the income stream, the state equalized value of the subject property, the quality and accuracy of the information submitted and any other evidence as they feel appropriate in making their decision. In general, however, these guidelines shall assist the Board of Review in making their decisions.

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Persons in Household	Household Income	Recommended Board Action
1	\$0 – current year Federal Poverty Total Maximum Income	Consideration from not more than the current year rate of inflation increase of net tax liability to total removal from assessment roll
2	\$0 – current year Federal Poverty Total Maximum Income	Consideration from not more than the current year rate of inflation increase of net tax liability to total removal from assessment roll

Current year federal poverty income guidelines should be used to determine how much income a family/ household can receive per year to be eligible for a full or partial poverty exemption from property taxes.

V. Asset Guidelines

As required by P.A. 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit SHALL also include an asset level test. The following assets shall not be considered when applying an asset test to determine qualification for tax exemption.

- I. The value of the applicant’s primary residence subject to the exemption request along with any contiguous residential land, except as follows:

Under no circumstances shall a poverty exemption be granted on a principal residence purchased within two (2) years from the appeal date. An exemption shall also not be granted to a property whose aggregate state equalized value exceeds the city wide average, as calculated by the **City/Township** assessor, unless it has been the sole primary residence of a senior citizen as defined by the Michigan Income Tax Act for the past ten (10) consecutive years.

- II. The value of all personal property, such as furniture and clothing.

Notwithstanding the value of property listed above, in order to be considered for tax exemption under MCL 211.7u, the value of all additional assets shall not exceed five (5) times the annual household income of the applicant.

All asset information, as requested in the application for property tax exemption must be completed in total. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may reject any application if assets are not properly identified.

VI. Summary

In conclusion, the Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for the **{Your Unit of Government}** takes this task seriously and attempts to provide relief to all deserving residents within the **City/Township**. The Board of Review may deny any appeal regardless of income, if the financial hardship appears to be self-created by the actions of the person or persons making the application. The Board of Review reserves the right to modify these guidelines as necessary.