

**\*\*\*SAMPLE\*\*\***

**RESOLUTION NO. \_\_\_\_\_**

\_\_\_\_\_ **TOWNSHIP**  
\_\_\_\_\_ **COUNTY, MICHIGAN**

**Resolution to adopt 202\_\_**  
**Poverty Exemption, Income Guidelines and Asset Level Test policy**  
**(P.A. 206 of 1893 as amended by public act 253 of 2020, mcl 211.7u as amended)**

At a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by the Township Board of the Township of \_\_\_\_\_, located at \_\_\_\_\_, Michigan, the following resolution was offered by Member \_\_\_\_\_ and seconded by Member \_\_\_\_\_.

WHEREAS, the principal residence of persons who, in the judgment of the Supervisor and Board of Review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under Public Act 253 of 2020 (MCL 211.7u); and

WHEREAS, the Township Board is required by Section 7u of the Property Tax Act, Public Act 206 of 1893 as amended by Public Act 253 of 2020 (MCL 211.7u as amended) to adopt guidelines for poverty exemptions; and

WHEREAS, the guidelines shall include but not be limited to the specific income and asset levels of the claimant and all residing in the household, and any persons listed on the deed, including any property tax credit returns filed in the current or immediately preceding year.

THEREFORE, BE IT RESOLVED that pursuant to MCL 211.7u the \_\_\_\_\_ Township Board, \_\_\_\_\_ County, Michigan adopts the following policy and guidelines the Board of Review shall follow in granting or denying a Hardship Exemption.

BE IT FURTHER RESOLVED that the Board of Review shall follow the policy and guidelines in granting a Hardship Exemption without deviation from these guidelines. The same standards shall apply to each claimant in the township for the assessment year. Hardship Applicants are not prohibited from also appealing the assessment of property for which the hardship claim is made before the Board of Review in the same year.

**202 \_\_ REAL PROPERTY TAX POVERTY PARTIAL EXEMPTION GUIDELINES**  
**FOR PROPERTY TAX RELIEF UNDER SECTION 211.7U, P.A. 206 OF 1893**

MCL 211.7u(1) of the Michigan General Property Tax Act defines Poverty, or Hardship Exemption, as a method to provide relief for those who, in the judgment of the Board of Review, are unable to fully contribute to the annual property tax burden of their principal residence due to their financial situation. To qualify for the Hardship Exemption, the claimant must meet all the

**\*\*\*SAMPLE\*\*\***

following requirements. It may be possible that a claimant meets the income standard for the Hardship Exemption but does not meet the asset standard or other standards as outlined in these guidelines. In this instance, the claimant would not qualify for the exemption even though the income standard was met.

1. Hardship Exemptions shall apply only to the Applicant's qualified Principal Residence and the property must be classified as Residential for property tax purposes. Under no circumstances shall a Hardship Exemption be granted or applied to the property of a business, partnership, or corporation.

2. The amount of relief due to hardship that shall be granted by the Board of Review for any Qualified Applicant shall be a full exemption equal to 100%, or a partial exemption equal to a 75%, 50%, 25% reduction in taxable value for the year in which the exemption is granted based on the income and assets level hereinafter set forth. PA 253 of 2020 lists the specific percentage of reduction that may be used by the Board of Review in granting a poverty exemption. MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the board of review shall grant the poverty exemption, in whole or in part.

**Income Standards for Eligibility Guidelines:**

To be eligible for the exemption by reason of hardship, a person shall do all the following on an annual basis.

Applicant must be an owner of and occupy as a principal residence (as defined by MCL 211.7dd), the property for which an exemption is being requested and produce a copy of the Deed, Land Contract, or other evidence of ownership of the property for which an exemption is being requested.

Applicants must annually complete in their entirety a State of Michigan form 5737 "APPLICATION FOR MCL 211.7U POVERTY EXEMPTION" and form 5739 "AFFIRMATION OF OWNERSHIP AND OCCUPANCY TO REMAIN EXEMPT BY REASON OF POVERTY" (MCL 211.7u(2)). All claims, including all required information listed below, must be filed with the Township Assessor, Supervisor or Board of Review for review of completeness and eligibility compliance. Applications are to be filed after January 1st and before the day prior to the last day of the March, July, or December Board of Review meetings for the assessment year. Incomplete applications and/or applications of taxpayers not meeting the eligibility requirements will be returned to the Applicant and will not be considered by the Board of Review. Applicants who wish to send a Representative to appear on their behalf must provide them with a Notarized Letter of Authorization. The Representative will be required to present a photo identification along with the letter. Applications meeting all eligibility requirements will be presented before the Board of Review.

**\*\*\*SAMPLE\*\*\***

Applicants must provide copies of the following forms, including all supporting documents and schedules, for all persons residing in the household, and any persons listed on the deed, filed in the immediately preceding year or in the current year:

- a. Federal Income Tax Return (1040 or 1040A), Applicant must file this tax return even if they owe no income tax or are not required to file a Federal Income Tax Return if they meet the requirements for receiving an Earned Income Tax Credit (EITC) and any 1099's received.
- b. State of Michigan Income Tax Returns (MI-1040), Applicant must file this tax return even if they own no income tax or are not required to file a Michigan Income Tax Return if they were granted a Federal Income Tax Credit. The State will provide a 6% supplement EITC when the Applicant files his/her State Income Tax Return.
- c. If the Applicant did not file a Federal or State Income Tax return, they must complete and file an Income Tax Exemption Affidavit (Treasury Form 4988) for all persons residing in the residence who were not required to file in the current or the immediately preceding year, and who did not meet the qualifications for receiving an EITC.
- d. Michigan Homestead Property Tax Credit Claim (ML-1040CR).
- e. W-2 Forms
- f. Social Security Benefit Statement (form SSA-1099) for all persons residing in the household, who receive Social Security benefits.
- g. Proof of all sources of income if not included on the W-2 Forms, including any check stubs or receipts of other persons living in the household, or from State or Federal Government checks.
- h. Bank and/or credit union statements, for all current and preceding six months, of all checking and savings accounts.
- i. A copy of a valid Michigan driver's license or another legal form of photo identification, which indicates the residing property address for all persons in the household, and any persons listed on the deed.
- j. Copies of the most recent year's tax bills and taxable values of all property other than the Homesteaded/Principal Residence owned or partially owned by the hardship Applicant.

**\*\*\*SAMPLE\*\*\***

The township requires all applicants to provide copies of their originally filed tax returns and will not accept summary information reports or reproduced tax returns. Federal and State tax returns must be signed unless “e-filed” documents are included. The township retains the right and is authorized to request a copy of any household occupant’s federal income tax returns from the Internal Revenue Service or Michigan Income Tax Returns from the Department of Treasury pursuant to MCL 205.28, and all vehicle or titled asset registration information from the Secretary of State. Applicants may present other information in support of hardship status.

Applicants must meet the “Income Standards for Eligibility Guidelines” as adopted by the Township Board, provided such alternate guidelines do not provide income eligibility requirements less than the federal guidelines.

<b>INCOME STANDARDS FOR ELIGIBILITY GUIDELINES (as indexed annually)</b>	
2023 Federal Income Poverty Levels*	
Size of Family Unit (per person)	Poverty Threshold
1 person	13,590
2 people	18,310
3 people	23,030
4 people	27,750
5 people	32,470
6 people	37,190
7 people	41,910
8 people	46,630
Each Additional Person Adds:	4,720

*\*Income threshold may not be set lower, but can be set higher by the township board*

The Board of Review shall consider income and assets from all sources and all occupants of the household, and any persons listed on the deed. When determining whether an applicant meets the hardship income standards adopted by the township, income includes:

- a. Money, wages, and salaries before deductions.
- b. Regular payments for social security, railroad retirement, unemployment, worker’s compensation, veteran’s payments, and public assistance.
- c. Gifts, loans, and contributions by all persons, whether living in the household or not.
- d. Alimony, child support, and military family allotments.
- e. Private pensions, government pensions, regular insurance or annuity payments, and inheritance payments.

**Asset Level Test for Eligibility Guidelines:**

An asset level test means the amount liquid and non-liquid assets that could be used or converted to cash for use in the payment of property taxes.

**\*\*\*SAMPLE\*\*\***

In addition to meeting the income level requirements as noted above, applicants must also meet requirements based on asset level, or otherwise stated requirements, such as saving accounts, checking accounts, certificates of deposit, investments, (including collectible items purchased for their investment value), stocks, bonds, inheritances, life insurance policies, interest earnings/dividends, retirement funds, and ownership in other real estate property, not to exceed \$50,000.

<b>2023 ASSET LEVEL TEST STANDARDS FOR ELIGIBILITY GUIDELINES</b>					
Size of Family Unit (per person)	Board Action:	Board Action:	Board Action:	Board Action:	Board Action:
	100% Exemption if amount of Assets =	75% Exemption if amount of Assets =	50% Exemption if amount of Assets =	25% Exemption if amount of Assets =	No Hardship Relief Granted if
1 person	3,397 or less	3,398 - 6,794	6,795 – 10,192	10,193 - 13,590	Above 13,590
2 people	4,577 or less	4,578 – 9,154	9,155 – 13,732	13,733 – 18,310	Above 18,311
3 people	5,757 or less	5,758 – 11,514	11,515 – 17,272	17,273 – 23,030	Above 23,031
4 people	6,937 or less	6,938 – 13,874	13,875 – 20,812	20,813 – 27,750	Above 27,751
5 people	8,117 or less	8,118 – 16,234	16,235 – 24,352	24,353 – 32,470	Above 32,471
6 people	9,297 or less	9,298 – 18,594	18,595 – 27,892	27,893 – 37,190	Above 37,191
7 people	10,477 or less	10,478 – 20,954	20,955 – 31,432	31,433 – 41,910	Above 41,911
8 people	11,657 or less	11,658 – 23,314	23,315 – 34,972	34,973 – 46,630	Above 46,631
Each Addl Person Adds:	1,179 or less	1,180 – 2,359	2,360 – 3,539	3,540 – 4,719	Above 4,720

*\*Numbers above are calculated on income poverty standards. Example, to meet the 75% exemption: 13,590 X 25% = 3,398*

To be eligible for a partial exemption based on the asset level, or other standards, the following requirements will be met. The applicant is required to list all assets that include the following:

- A second home, land, vehicles
- Recreational vehicles such as campers, motorhomes, boats and ATV's
- Buildings other than the residence
- Jewelry, antiques, artworks
- Equipment, other personal property of value
- Bank accounts (over a specified amount), stocks
- Money received from the sale of property, such as, stocks, bonds, a house or car (unless a person is in the specific business of selling such property)

**\*\*\*SAMPLE\*\*\***

- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances, and one-time insurance payments
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches

BE IT FURTHER RESOLVED that all policies, procedures, resolutions in conflict with this resolution are hereby repealed to the extent of any such conflict.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Resolution declared adopted on \_\_\_\_\_, 2024.

\_\_\_\_\_  
\_\_\_\_\_, Township Clerk

**CERTIFICATION**

I, the undersigned, the duly qualified and acting Township Clerk of the Township of \_\_\_\_\_, \_\_\_\_\_ County, Michigan, certify that the foregoing is a true and complete copy of the resolution adopted by the Township Board at a regular meeting of the Township Board held on the \_\_\_\_ day of \_\_\_\_\_ 202\_\_. I further certify that public notice of the meeting was given pursuant to and in full compliance with Michigan Act 267 of 1976, as amended, and that the minutes of the meeting were kept and will be or have been made available as required by the Act.

\_\_\_\_\_  
\_\_\_\_\_, Township Clerk