

City of Mackinac Island

City Hall, 7358 Market Street, P.O. Box 455, Mackinac Island, MI 49757-0455

Resolution No. 26-003

City of Mackinac Island Resolution for Poverty Exemption

WHEREAS, the adoption of guidelines and application for a poverty exemption is required of the Mackinac Island City Council, and

WHEREAS, the principal residence of persons, who the Assessor and Board of Review determine by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Mackinac, Mackinac County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all the following on an annual basis:

1. Be owner of the occupancy as a principal residence the property for which an exemption is requested.
2. File a claim with the Assessor or Board of Review, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax returns filed in the immediately preceding year or in the current year.
3. File a claim reporting that the combined assets of all persons do not exceed the overall asset limit of \$20,800.00. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
4. Produce a valid driver's license or other form of identification.
5. Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
6. Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
7. The application for an exemption shall be filed after January 1, but one day prior to the last day of the Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right to appeal to the Michigan Tax Tribunal.

City Clerk: (906) 847-3702
City Treasurer/Assessor: (906) 847-6002

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Mayor's Assistant: (906) 847-6556
Building & Zoning: (906) 847-4035
Police Administration: (906) 847-3345
Fire Administration: (906) 847-8159
Fax: (906) 847-6430

The following are the federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

**Income Guidelines
Used in the Determination of Poverty Exemptions for 2026**

Below are the federal poverty guidelines updated annually in the federal register by the US Department of Health and Human Services which were adopted in 2026; the City of Mackinac Island will follow these guidelines for establishing poverty exemptions for the 2026 assessments:

Single Family Unit	Poverty Guidelines
1	\$15,650
2	\$21,150
3	\$26,650
4	\$32,150
5	\$37,650
6	\$43,150
7	\$48,650
8	\$54,150
For Each Additional Person	\$5,500

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution was offered for adoption by Council Member _____,
and supported by Council Member _____.

Ayes: _____

Nays: _____

The foregoing vote by the Mackinac Island City Council declared the resolution _____.

Danielle Leach, City Clerk

Dated

Asset Guidelines
Used in the Determination of Poverty Exemptions for 2026

As required by PA 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit shall include an asset level test. The purpose of an asset test is to determine the resources available (cash and non-cash fixed assets and property that could be converted to cash) that could be used to pay property taxes in the year the poverty exemption is filed. *The asset test does not consider the value of the principal residence.*

The following asset test shall apply to all applications for poverty exemption:

- The applicants shall not have “liquid” (cash) assets in excess of \$7,800. In addition, the applicant shall not have a total value of all assets (cash and other non-cash assets) in excess of \$20,800.

Assets greater than what is stated above will result in a denial of the poverty exemption claim, even if the applicant meets the income limit. The Board of Review may deny any application if the assets are not properly identified.

Cash and other non-cash assets considered may include but are not limited to;

- Bank accounts
- Stocks and bonds, pensions, IRAs and other investment accounts
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Money received from the sale of property such as stocks, bonds, a house or a car (unless a person is in the specific business of selling such property)
- Second home, rental property, or building property other than the residence
- Excess or vacant land
- Secondary/extra automobiles or recreational vehicles such as campers, motor-homes, boats, ATVs, snowmobiles, motorcycles
- Jewelry, antiques, or artworks
- Equipment or other personal property of value
- Federal or state non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms