



OFFICE USE ONLY (Date Stamp)

City of Madison Heights 2026

Poverty Exemption Policy and Application

OFFICE USE ONLY

NAME:

PARCEL NUMBER: 44-25-

ADDRESS:

APPLICATION #: 2026-

2026 POVERTY EXEMPTION POLICY

Section 211.7u(1) of the Michigan General Property Tax Act provides for a property tax exemption, in whole or in part, for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges.

The Madison Heights City Council adopted the following Poverty Exemption Policy. The Policy includes an asset test and income test as required by Michigan statute, along with the State of Michigan required application forms.

The Board of Review is required to follow the adopted policy when approving or denying the request for poverty exemption. If the applicant meets all eligibility requirements, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value or a partial exemption equal to a 25%, 50% or 75% reduction in taxable value.

A taxpayer who files a poverty exemption application at the March Board of Review is not prohibited from also filing a valuation appeal at the March Board of Review. If not filed at the March Board of Review, a taxpayer may file a poverty exemption application with the July or December Board of Review. A taxpayer may file only one (1) application annually, and if denied, may appeal to the Michigan Tax Tribunal. If granted, the exemption is for one (1) year and applicants may annually apply.

To claim a poverty exemption, the application, required forms, and all supporting documentation as outlined in the Policy must be submitted between January 1, 2026, and November 30, 2026, (10 days prior to the December Board of Review held on December 9, 2026). Disabled applicants may call the Assessing Department at (248) 837-2644 to make necessary arrangements for assistance.

The Board of Review may review applications without the applicant being present. However, the Board may request that any or all applicants be physically present to respond to any questions the Board or Assessor may have. This means that an applicant could be called to appear on short notice.

In order to qualify for a poverty exemption, the applicant must meet the following criteria:

1. The applicant must **own and occupy as their principal residence** the property for which the exemption is being claimed. The applicant cannot be the renter liable for the taxes. The property cannot be owned by a business entity.
2. The applicant must file a **fully complete** application which includes Form 5737 and Form 5739 and **all required and requested tax returns and documentation** – see attached list.
3. The applicant must meet the “**Income Guidelines**” which are the Federal Poverty Guidelines updated annually by the United States Department of Health and Human Services.
4. The applicant must meet the “**Asset Guidelines**” as approved by the Madison Heights City Council.

Failure to meet any of the above requirements will result in a denial of the poverty exemption.

Income Guidelines Used in the Determination of Poverty Exemptions for 2026

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemptions and those income levels shall not be set lower by a city or township than the federal poverty guidelines updated annually by the United States Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons shall not be set lower than \$26,650, which is the amount shown on the following chart for a family of 3 persons.

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 2025. The City of Madison Heights will follow these guidelines for establishing 2026 poverty exemptions:

Size of Family Unit	Poverty Income
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

Household income greater than what is stated above, per household size, will result in a denial of the poverty exemption, even if the applicant meets the Asset Guideline. The Board of Review may deny any application if income is not properly identified.

The income guidelines shall include, but are not limited to, the annual income for the person claiming the exemption and all persons living in the principal residence.

Income considered includes but is not limited to:

- Money, wages, salaries before deductions, and regular contributions from persons not living in the residence
- Net receipts from a person's own business, professional enterprise, or partnership, after business expense deductions
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, and supplemental security income (SSI)
- Alimony, child support, military family allotments
- Private pensions, governmental pensions, disability pensions, regular insurance, annuity payments
- College or university scholarships, grants, fellowships, and assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

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, fixed assets or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed. The value of the principal residence is not included in the asset test.

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

- The applicant's household shall not have "liquid" (cash) assets in excess of \$8,000,
- AND
- The applicant's household shall not have total value of all assets (cash and other non-cash assets) in excess of \$25,000.

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

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

- Bank and/or credit union savings and checking accounts
- A second home, vacant land, vehicles
- Recreational vehicles such as campers, motor homes, boats and ATV's
- Buildings other than the principal residence
- Jewelry, antiques, artwork
- Equipment or other personal property of value
- Stocks and bonds, pensions, IRAs and other investment accounts
- Money received from the sale of property, such as the sale of stocks, bonds, a house or car (unless a person is in the specific business of selling such property)
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Second home, rental property, or building/property other than the residence
- 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

Reduction Calculation

Public Act 253 of 2020 and Public Act 191 of 2023 amended MCL 211.7u related to poverty exemptions. These acts list the specific percentage reductions in taxable value 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, as follows:

- A full exemption equal to a 100% reduction in taxable value, or
- A partial exemption equal to a 75% reduction in taxable value, or
- A partial exemption equal to a 50% reduction in taxable value, or
- A partial exemption equal to a 25% reduction in taxable value.

No other method of calculating taxable value may be utilized, except for those percentage reductions specifically authorized in statute, or any other percentage reduction approved by the State Tax Commission.

The City of Madison Heights Board of Review will follow the chart below in determining the taxable value reduction granted to qualifying applicants for 2026 poverty exemptions:

Household Size	Income (federal limit)	100% Taxable Value Exemption	75% Taxable Value Exemption	50% Taxable Value Exemption	25% Taxable Value Exemption
1	\$15,650	\$0 to \$3,913	\$3,914 to \$7,825	\$7,826 to \$11,738	\$11,739 to \$15,650
2	\$21,150	\$0 to \$5,288	\$5,289 to \$10,575	\$10,576 to \$15,863	\$15,864 to \$21,150
3	\$26,650	\$0 to \$6,663	\$6,664 to \$13,325	\$13,326 to \$19,988	\$19,989 to \$26,650
4	\$32,150	\$0 to \$8,038	\$8,039 to \$16,075	\$16,076 to \$24,113	\$24,114 to \$32,150
5	\$37,650	\$0 to \$9,413	\$9,414 to \$18,825	\$18,826 to \$28,238	\$28,239 to \$37,650
6	\$43,150	\$0 to \$10,788	\$10,789 to \$21,575	\$21,576 to \$32,363	\$32,364 to \$43,150
7	\$48,650	\$0 to \$12,163	\$12,164 to \$24,325	\$24,326 to \$36,488	\$36,489 to \$48,650
8	\$54,150	\$0 to \$13,538	\$13,539 to \$27,075	\$27,076 to \$40,613	\$40,614 to \$54,150

Each additional person: \$5,500

Failure to meet the Income Guideline, Asset Guideline, or submission of an incomplete application will result in a denial of the poverty application.

Required Documentation and Check List

- Provide documents for applicant, spouse, and/or all others that are residing in the home.
- Please submit copies only, not originals. Anything submitted will not be returned.
- If one of the items below does not apply, please write “N/A” (not applicable) to indicate the applicant does not have anything to provide for that item.
- This initialed checklist must be returned with the application forms.
- The applicant must sign the application when returned to the office. It must be notarized or countersigned by a staff member of the Treasurer or Assessing office.

Initial below when the required information is attached to this application:

_____ Completed Form 5737, *Application and Affirmation for MCL 211.7u Poverty Exemption*

_____ Completed Form 5739, *Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty*

_____ Valid Michigan Driver’s License or other legal form of photo identification for all persons in the household

_____ Proof of ownership of the principal residence (deed, land contract, etc.)

_____ Completed IRS form 4506-T (Department of Treasury IRS “Request for Copy of Tax Return”) and any/all correspondence from the IRS

_____ 2025 Federal Income Tax Return – Fully complete, signed copy of what was filed with the United States IRS

_____ 2025 State Income Tax Return - Fully complete, signed copy of what was filed with the State of Michigan Department of Treasury

_____ If any of the applicants are not required to file a Federal or State Income Tax return, Form 4988, *Poverty Exemption Affidavit*, must be provided for ALL persons that are not required to file income tax

_____ 2025 Michigan Homestead Property Tax Claim Form MI-1040 CR. This completed form is required regardless of your requirement to file income tax returns.

_____ Bank and/or credit union monthly statements for the prior 12 months (as of the date of application) of ALL checking and savings accounts

_____ Social Security annual benefit statement (end of prior year total benefit)

- _____ Cash benefit statement
- _____ Non-cash benefit statements such as Medicaid, WIC, food assistance and school lunches
- _____ W-2's from employer
- _____ Net receipts from self-employment
- _____ State and/or Federal checks
- _____ Unemployment benefits statement
- _____ Pension – 1099 statement
- _____ Certificate of deposit statement
- _____ Stocks or bonds statement
- _____ Child support payment statement
- _____ Alimony payment statement
- _____ Insurance or annuity payment statement
- _____ If home was purchased in the prior 2 years, a copy of the loan application and closing statement
- _____ Most recent mortgage verification showing balance of loan plus principal and interest payment amounts
- _____ Second mortgage or equity loan statement
- _____ List and current value of other property currently owned by applicant (includes but not limited to vacant land, second home, rental property, building/property other than the principal residence)
- _____ List of equipment, jewelry, antiques, artwork and current value
- _____ State of Michigan registration for all vehicles
- _____ Notarized statement of regular contributions OR gifts OR loans from persons not living in the residence (in the last 2 months)
- _____ List of dividends, interest, and net income from rentals or estates or trusts (in the last 24 months)
- _____ List of money received from the sale of property such as stocks, bonds, a house, or a car (in the last 2 months)

Failure to provide a complete application will result in the denial of the poverty exemption.

IMPORTANT NOTICE:

Any willful misstatements or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

IMPORTANT NOTICE:

A copy of your latest Federal Income Tax Return, State Income Tax Return and your Homestead Property Tax Credit Claim **MUST** be attached as proof of income. All other applicable documents on the checklist must also be attached.

NOTE: DO NOT SIGN until notarized by Treasurer or Assessing Department Personnel.

STATE OF MICHIGAN
COUNTY OF OAKLAND SS.

The undersigned, being duly sworn, deposes and says that the statements made in the foregoing application are true and that he/she has no money, income, assets or property other than that mentioned herein.

Petitioner's Signature

Print full name

Date

Subscribed and sworn to before me this _____ day of _____, A.D., 20____.

Notary Public, Oakland County, Michigan
or Assessing Officer/Treasurer Staff

My Commission expires: _____

This application must be returned no later than 10 days prior to the last day of the Board of Review.

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with 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

Application and Affirmation 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 where the property is located in each year on or after January 1 but before the day prior to the last day of the board of review. Poverty Exemptions may be heard by the Board of Review during its March, July, and December sessions.

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.

PART 1: PERSONAL INFORMATION — 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	

PART 2: REAL ESTATE INFORMATION

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 Identification Number		Name of Mortgage Company	
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence	
Property Description			

PART 3: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)

- ☐ I own the property in which the exemption is being claimed.
- ☐ The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.

PART 4: ADDITIONAL PROPERTY INFORMATION

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	

Continue on Page 2

PART 5: EMPLOYMENT INFORMATION — List your current employment information.

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

PART 6: 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 7: 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 8: 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 9: 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 10: 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 11: PERSONAL DEBT — List all personal debt for all household members.

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

PART 12: 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 13: 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 14: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code

PART 15: 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
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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 30 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
Email: taxtrib@michigan.gov