

**TOWNSHIP OF MACOMB
GUIDELINES FOR APPLICANTS REQUESTING
CONSIDERATION FOR POVERTY EXEMPTIONS
APPLICATION FOR TAX RELIEF UNDER SECTION 211.7, P. A. 206 OF 1893**

1. Applicants must fill out the "Hardship Exemption Application" form in its entirety. The applicant's signature must be notarized.
2. All applicants must be owners of the property in which they reside. Applicants must provide a driver's license or other acceptable identification, for all persons in the household that are not identified as dependants on their income tax returns and must also provide a copy of a deed, land contract, or other evidence of ownership, if requested by the Assessor or the Board of Review.
3. All applicants must submit copies of the following forms for **all persons residing** in the homestead, filed in the immediately preceding year or in the current year:
 - A. Federal Income Tax Return – 1040 or 1040A
 - B. State of Michigan Income Tax Return
 - C. Homestead Property Tax Claim MI-1040CR
 - D. W-2 Forms
4. All applicants must submit copies of the Social Security Benefits Statement Form SSA-1099 for all persons residing in the homestead, which currently receive Social Security benefits.
5. All applicants must provide a copy of their complete bank statements for the immediate preceding 6 months for **all** checking and savings accounts.
6. All applications must be submitted to and received by the Assessor or the Board of Review before the day prior to the last day of the Board of Review. We request that you submit your application 10 days prior to the July and December Board of Review.
7. Applicants will not be eligible for consideration if they do not meet the current income limit standards developed by the Federal Poverty Guidelines multiplied by a rate of 135% (1.35). For 2023, the limits are:

A family of 1 – shall make no more than \$ 18,346 a year
A family of 2 – shall make no more than \$ 24,718 a year
A family of 3 – shall make no more than \$ 31,090 a year
A family of 4 – shall make no more than \$ 37,462 a year
A family of 5 – shall make no more than \$ 43,834 a year
A family of 6 – shall make no more than \$ 50,206 a year
A family of 7 – shall make no more than \$ 56,578 a year
A family of 8 – shall make no more than \$ 62,950 a year
For each additional person add \$6,372
8. Applications will be reviewed by the Board of Review prior to the applicant being present. However, the Board requires that the applicant(s) be physically present at a Board of Review hearing to respond to any questions the Board of Review might have.
9. The applicant may have to answer questions for the Board, regarding financial affairs, health, status of people living in their home, at a meeting which is open to the public at large.
10. All requests will be evaluated based on data submitted to the Board by petitioner, testimony taken from petitioner and information gathered from any source the Board may wish to use regarding the income and assets of the applicant and all persons residing in the homestead. Additionally, the Board of Review will consider all revenue and non-revenue producing assets during its deliberation as to whether relief shall be granted.
11. All Poverty Exemptions are reviewed on an individual basis for the current assessment year. Poverty Exemptions are granted or denied for one year only.

TOWNSHIP OF MACOMB
COUNTY OF MACOMB, STATE OF MICHIGAN
REAL PROPERTY TAX POVERTY EXEMPTION RESOLUTION

Memorandum of Resolution made and adopted at a Regular Meeting of the Board of Trustees of Macomb Township, Macomb County, Michigan, held in the Macomb Township offices on Wednesday the 21st of December, 2022.

MEMBERS PRESENT: Viviano, Pozzi, Drolet, Cusumano, Lucido, Nevers, Oliver

MEMBERS ABSENT: None

The following preamble and resolution were offered by Member Drolet and supported by Member Lucido:

Whereas, Section 211.7u of Act No. 206 of the Public Acts of 1893, as amended, provides that the homestead of a person who, in the judgment of the Board of Review, by reason of poverty, is unable to contribute toward the public charges are eligible for exemption in whole or in part from taxation under the Act; and,

Whereas, said section provides certain eligibility requirements for exemption under said section; and,

Whereas, said section requires that an applicant meet the prior tax year federal poverty income standards as defined and determined annually by the United States Office of Management and Budget or alternative guidelines adopted by the governing body of the local assessing unit; provided, however, such alternative guidelines do not provide income eligibility requirements less than the federal guidelines; and,

Whereas, the Board of Trustees of the Township of Macomb is the governing body of the local assessing unit; and,

NOW, THEREFORE, BE IT RESOVED that the following standards be adopted in relation to applications for the Real Property Poverty Exemptions:

In order to qualify for the Poverty Exemption, the claimant MUST meet all of the following requirements. It may be possible that a claimant meets the income standard for the Poverty Exemption but not meet the asset standard or other standards as set forth in these guidelines. In this instance the claimant would NOT qualify for the exemption even though the income standard was met.

The Board of Review shall follow these guidelines when granting or denying a Poverty Exemption. The same standards shall apply to each claimant in the Township for the assessment year. If a person meets all eligibility requirements

in statute, 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% or 50% reduction in taxable value OR any other percentage of reduction in taxable value approved by the State Tax Commission.

In granting Poverty Exemptions, the Board of Review realizes that this represents a shift of those property taxes exempted to the other taxpayers of the Township. Poverty exemptions are intended to assist those who are in temporary financial straits and are NOT intended as a permanent subsidy. Poverty exemptions shall apply only to the applicant's qualified homestead and the property must be classified RESIDENTIAL for property tax purposes. Under no circumstances shall a poverty exemption be granted or apply to the property of a business, partnership or corporation.

The amount of relief due to hardship that will be granted by the Board of Review for any qualifying applicant shall not exceed the amount as determined by the **TOWNSHIP OF MACOMB HARDSHIP EXEMPTION INCOME LEVEL CALCULATION REPORT.**

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

Applicants MUST be an owner of and occupy as a homestead (as defined by MCL 211.7dd) the property for which an exemption is being requested. Vacant, unplatted, contiguous land shall not qualify as homestead property for purposes of these guidelines.

1. Applicants MUST complete in its entirety a "Hardship Exemption Application" with the Board of Review on a form provided by the Assessing Department. 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 that 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. Qualified Applicants, or their authorized Representative, must appear in person before the Board of Review in order to be considered for relief due to financial hardship. 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 photo identification along with the letter. Applicants meeting all eligibility requirements will be scheduled for an appointment to appear before the Board of Review.
2. Applicants MUST provide copies of the following forms, including all supporting documents and schedules, for **ALL PERSONS RESIDING IN THE HOUSEHOLD**, filed in the immediately preceding year or in the current year:

- Federal Income Tax Returns (1040 or 1040A)
(Applicants 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).
- Signed Federal Form 4506-T: Request for Transcript of Tax Return
- State of Michigan Income Tax Returns (MI-1040)
(Applicants MUST file this tax return even if they owe no income tax or are not required to file a Michigan Income Tax Return if they were granted a Federal Earned Income Tax Credit. The State will provide a 6% supplemental EITC when the Applicant files his/her State Income Tax Return).
- If 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 year or in the immediately preceding year, **and** who did not meet the qualifications for receiving an EITC.
- Michigan Homestead Property Tax Credit Claim (MI-1040CR)
- W-2 Forms
- Social Security Benefit Statement (form SSA-1099) for **ALL PERSONS RESIDING IN THE HOUSEHOLD**, who receive Social Security benefits.
- Proof of all sources of income if not included on the W-2 Forms, including any check stubs or receipts from contributions by relatives or other persons living in the household, or from State or Federal Government checks.
- Current year mortgage verification showing loan balance plus principal and interest payment amounts.
- Bank and/or credit union statements, for the current and immediately preceding six months, of **ALL** checking and savings accounts.
- **Current** credit reports for all persons residing in the household. (Credit reports are available at no cost to the applicant once per year from all 3 of the following credit reporting bureaus: Equifax, Experian and TransUnion. Free credit reports are available at myfreecreditreport.com)
- Statements for all household expenses and debt payments for the immediately preceding **six months**.
- A valid Michigan driver's license or other legal form of photo-identification, which indicates residing property address for all persons in the household.
- Copy of State of Michigan Registration for all vehicles.
- Copy of a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.

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 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.

3. Applicants MUST meet poverty income standards determined by the Township of Macomb. These income standards shall be posted annually in the Department of Assessment and made available upon request at no charge. These income standards will be based upon the current year Federal Poverty Thresholds multiplied by a rate of 135% (1.35).

The Board of Review shall consider income from all sources and from all occupants of the homestead when determining whether an Applicant meets Township poverty income standards as established by the Township Board of Trustees. Income includes:

- Money, wages, and salaries before deductions.
- Regular payments for social security, railroad retirement, unemployment and worker's compensation, veteran's payments and public assistance.
- Gifts, loans and contributions by all persons, whether living in the household or not.
- Alimony, child support, and military family allotments.
- Non-cash benefits, such as Medicaid, WIC, food stamps and school lunches.
- Private pensions, governmental pensions, regular insurance or annuity payments, and inheritance payments.
- College or university scholarships, grants, fellowships, educational trust disbursements and financial aid.

In addition to meeting the income level requirements as noted above, applicants must also meet requirements based on asset level.

ASSET GUIDELINES USED IN THE DETERMINATION OF POVERTY EXEMPTIONS

As required by PA 390 of 1994, all guidelines for poverty exemptions are established by the governing body of the local assessing unit **SHALL** also include an asset level test. The following asset test shall apply to all applications for poverty exemption.

- The applicant shall not have "liquid" assets (excluding the value of the principal residence subject to the exemption requested) in excess of two (2) times the amount of the estimated tax obligation of the current assessment.
- The applicant shall not have total assets (excluding the value of the principal residence subject to the exemption request) in excess of ten (10) times the amount of estimated tax obligation of the current assessment.

All asset information, as requested in the Application for Poverty 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 the assets are not properly identified.

Liquid Assets may include but are not limited to:

- Bank accounts
- Stocks and Bonds
- IRA's and other investment accounts
- Pension
- Life Insurance Policies
- Inheritance
- 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.

In addition, total assets may also include but are not limited to:

- A second home
- Excess or vacant land
- Rental property
- Buildings other than the residence
- Equipment
- Other personal property of value
- Extraordinary vehicles
- Recreational vehicles - shall not exceed the amount of the current annual property tax obligation. Recreational vehicles include snowmobiles, boats, jet skis, camping trailers, travel trailers, motorcycles, motor homes, off-road vehicles, or anything else which may be considered a recreational vehicle.
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.

It is not the intent of the Township to adopt a policy of an individual being "automatically entitled" to exemption.

MOTION by Drolet seconded by Lucido to adopt the Real Property Tax Poverty Resolution as presented.

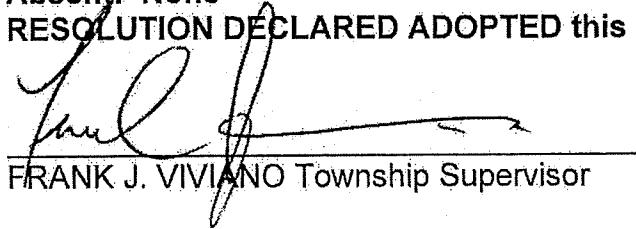
Roll Call:

Ayes: Drolet, Lucido, Cusumano, Nevers, Oliver, Pozzi, Viviano

Nays: None

Absent: None

RESOLUTION DECLARED ADOPTED this 21st day of December 2022.



FRANK J. VIVIANO Township Supervisor