

Thomas Township Poverty Exemption Policy and Procedure

Pursuant to MCL 211.7.u, the Thomas Township Board has established the following procedures and criteria for the uniform application and determination of poverty exemptions to be administered by the Township Board of Review.

1. Any property owner of Homestead Property, as defined by state law map apply for a poverty exemption by submitting the required petition and application to the Board of Review during the March session. **A copy of that application must be submitted at least one week before the Board of Review to the Township Assessor.**

2. The burden of proving poverty rests with the applicant. The applicant must supply the necessary application and supporting documents as required by this policy and procedure statement. Those documents shall **include (please include this information for ALL household members 18 years old and over):**

- A. The completed, notarized application for the poverty exemption.
- B. The most recent (immediate preceding year) Michigan Income Tax Return with all attachments including the MI-1040 CR.
- C. The most recent (immediate preceding year) Federal Income Tax Return with all attachments.

3. The determination of qualification for a poverty exemption shall be based on:

- A. The adjusted income level of the household.
- B. The size of the family unit.
- C. The assets and availability of income to the household.

4. The applicant's reported income shall be reviewed and adjusted, subject to:

- A. Gross adjusted income shall be adjusted with a factor of 0.72. This allows 28 percent of employment income to meet any tax liability. At the discretion of the Board of Review, actual tax liability as reflected on the relevant tax returns may be utilized.
- B. Adjusted income shall be adjusted with the greater of the two following:
 - 1. Income shall be adjusted with a factor of 0.85. This allows for 15 percent if such income to meet medical needs, OR
 - 2. A 100 percent allowance for medical insurance premiums paid by the applicant, for the applicant's personal benefit, as reported on the MI-1040 CR, plus expenses for medical care paid by the applicant where reimbursement is not a factor.
- C. Any unusual and necessary expenses that the Board of Review determines to be detrimental to the applicant's ability to pay property taxes.

5. The determination of the size of the family unit shall consider:

- A. Applicant shall be entitled to one "allowable exemption" for each verified household member.

- B. An additional "allowable exemption" may be granted for:
 - 1. Any household member that is 65 years old or older.
 - 2. Any household member that is paraplegic or quadriplegic.
- C. Exemption amount is equal to the amount of exemptions allowed on the MI Income Tax Return for the immediately preceding year.

6. The "adjusted income" level for each family unit that qualifies for a poverty exemption shall be based on the State of Michigan guidelines for "poverty" which are published yearly by the State Tax Commission.

7. In the determining of the granting of any poverty exemption, all assets of the applicant (excluding the applicant's primary residence), as well as all available sources of income or funds shall be considered. The maximum assets allowed for a poverty exemption shall be three (3) times the adjusted income levels set up by the State of Michigan for poverty levels, for the size of the household involved (assets will include, but are not limited to, homes or property other than your homesteaded property, cars, boats, trailers/RV's, any motorized recreational equipment, stocks and bonds).

8. The granting of a poverty exemption may be partial or total.

9. The granting of an exemption shall be based on five percent of income as adjusted, for property tax purposes. The tax shall be figured using the prior year's millage rates.

- A. If the amount of the tax, based on adjusted income levels is less than \$250.00, the exemption shall be a 100% poverty exemption.
- B. If the amount of the tax figured exceeds \$250.00, the taxable value for the current year shall be figured by the following formula: Tax (Based on 5% of adjusted income levels) divided by the prior year's millage rate times 100 equals taxable value.

10. Income shall be considered to include all of the following:

- A. Money, wages, and salaries before any deductions.
- B. Net receipts from non-farm self-employments. These are from a person's own business, professional enterprise, or partnership, after deduction for business expenses.
- C. Net receipts from farm self-employment. These are receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses.
- D. Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, workers compensation, veteran's payments, and public assistance (including Aid to Families with Dependent Children, Supplemental Security Income, Emergency Assistance money payments, and non-federally funded general relief money payments).
- E. Alimony, child support and military family allotments or other support from an absent family member or someone not living in the household.
- F. Private pensions, government employee pensions (including military retirement pay) and regular insurance payments or annuity payments.
- G. College or university scholarships, grants, fellowships and assistantship.
- H. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

- I. Money received from the sale of a property such as stocks, bonds, and a house.

11. Income does NOT include the following:

- A. Withdrawals of bank deposits, borrowed money, or tax refunds.
- B. One time insurance payments.
- C. Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
- D. Federal noncash benefit programs such as Medicare, Medicaid, food stamps and school lunches.

In order to be considered for a poverty exemption, the following steps must be completed:

1. **COMPLETE THIS APPLICATION IN FULL.** It must be returned to the Assessor at least one week before the Board of Review.
2. The most recent (immediate preceding year) Michigan Income Tax return with all attachments including the MI-1040 CR **AND** the most recent (immediate preceding year) Federal Income Tax Return with all attachments.
3. If your application is not fully completed and does not have the necessary copies and attachments, your application will be considered incomplete. Incomplete applications will be considered as a request by the applicant to withdraw from consideration the request for a poverty exemption. If an applicant has special needs that require assistance in presenting their circumstances to the Board of Review, he/she should contact the Township Office at least one week before the Board of Review.

POVERTY EXEMPTION is defined by Michigan Compiled Laws, Section 211.7 u. The law reads: ***The real and personal property of persons who, in the judgment of the supervisor and the board of review by reason of poverty, are unable to contribute toward the public charges is exempt from taxation under this act. This section does not apply to the property of a corporation.***

Please be aware that as an applicant for a poverty exemption, you must also comply with the following section of the Michigan Compiled laws relative to General Property Tax:

SECTION 211.118 PROVIDES, ***any person who, under any of the proceedings required or permitted by this act shall willfully swear falsely shall be guilty of perjury and subject to penalties.***

SECTION 211.119 PROVIDES, ... ***a person who willfully neglects or refuses to perform a duty imposed upon that person by this act, when no other provision is made in this act is guilty of a misdemeanor, punishable by imprisonment for not more than 6 months, or a fine of not more than \$300.00 and is liable to a person injured to the full extent of the injury sustained.***

From STC Bulletin No. 16 of 2018
Changes for 2019
October, 22, 2018

<i>Size of Family Unit</i>	<i>Poverty Guidelines</i>
1	\$12,140
2	\$16,460
3	\$20,780
4	\$25,100
5	\$29,420
6	\$33,740
7	\$38,060
8	\$42,380
For each additional person	\$4,320

HARDSHIP EXEMPTION WORKSHEET

Qualify According to Asset Test? Yes No

ADJUSTED GROSS INCOME: \$ _____

X \$ _____ 0.72

EQUALS \$ _____

Minus

MEDICAL (Greater of 0.85 or actual expense) \$ _____

Minus

ALLOWABLE EXEMPTIONS X \$1500 \$ _____

Equals

ADJUSTED INCOME LEVEL \$ _____

Qualify according to Federal Guidelines? Yes No

If No, Continue

ADJUSTED INCOME LEVEL \$ _____

X \$ _____ 0.05

EQUALS AMOUNT OF TAX OWED \$ _____

Taxable Value Formula

AMOUNT OF TAX

÷ MILLAGE RATE _____ = _____

X 1000 TAXABLE VALUE

THOMAS TOWNSHIP POVERTY EXEMPTION APPLICATION

I, _____, Petitioner, being the owner and residing at the property this is listed below, as my principal residence, apply for property tax relief under MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893. The principal residence of persons who, by reason of poverty are unable to contribute toward the public charges is eligible for exemption in whole or part from taxation per MCL 211.7u (1).

In order to be considered complete, this application must: 1) be completed in its entirety 2) Include information regarding all members residing within the household 3) include all requires documentation as listed within the application. Please write legible and attach additional pages as necessary.

PERSONAL INFORMATION: Petitioner must list all required information.

Property Address or Principal Residence:	Daytime Phone Number:	
Age of Petitioner:	Marital Status:	Age of Spouse:
Number of Legal Dependents:	Age of Dependents:	
Applied for Homestead Property Tax Credit (Yes or No)	Amount of Homestead Property Tax Credit:	

REAL ESTATE INFORMATION: List all 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 Code Number:	Name of Mortgage Company:	
Unpaid Balance Owed on Principal Residence:	Monthly Payment:	Length of time at Residence:
Property Description:		

ADDITIONAL PROPERTY INFORMATION: List information related to any other property you, or any member residing in the household owns.

Do you own, or are buying, other property (Yes or No). If yes, complete the information below.		Amount of Income Earned from Other Property?	
Property Address	Name of Owner(s)	Assessed Value	Amount & Date of Last Taxes Paid
		\$	\$
		\$	\$

LIST ALL PERSONS LIVING IN HOUSEHOLD: All persons residing in the residence must be listed.

First & Last Name	Age	Relationship to Applicant	Place of Employment	Amount of Monetary Contribution to Family Income

PERSONAL DEBT: All personal debt for all household members must be listed.

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

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 Expenses (gas, repair, etc.):	Other (List Type):
Other (List Type):	Other (List Type):	Other (List Type):
Other (List Type):	Other (List Type):	Other (List Type):
Other (List Type):	Other (List Type):	Other (List Type):

EMPLOYMENT INFORMATION: List your current employment information.

Name of Employer:	Name of Contact Person:
Address of Employer:	Employer Phone Number:

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRA's (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)

CHECKING, SAVINGS AND INVESTMENTS 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 Investment	Amount of Deposit	Current Interest Rate	Value of Investment

LIFE INSURANCE: List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payment	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

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

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.

Notice: Per MCL 211.7u (2b), a copy of all household members federal income tax returns, state income tax returns (MI 1040) and Homestead Property Tax Credit claims (MI 1040CR 1,2,3 or 4) must be attached as proof of income or a signed form 4988, Poverty Exemption Affidavit. Documentation for all income sources including, but not limited to, credits, claims, Social Security income, child support, alimony income, and all other income sources must be provided at time of application.

Petitioners: Do not sign this application until witnessed by the Supervisor, Assessor, Board of Review or Notary Public. (Must be signed by either the Supervisor, Assessor, Board of Review, or Notary Public).

STATE OF MICHIGAN
COUNTY OF: _____

I, the undersigned Petitioner, hereby declare that the foregoing information is complete and true and that neither I, nor any household member residing within the principal residency, have money, income or property other than mentioned herein.

Petitioner Signature

Date

Subscribed and sworn this _____ day of _____, 2019

Assessor Signature

Printed Name

BOR Member Signature

Printed Name

Notary Signature

Printed Name

My Commission Expires: _____

This application shall be filed after January 1, but before the day prior to the last day of December Board of Review to the address below:

Board of Review
C/O Jill Peters
Assessor, Thomas Township
249 N Miller Road
Saginaw, MI 48609

DECISIONS OF THE MARCH BOARD OF REVIEW MAY BE APPEALED BY PETITION TO THE MICHIGAN TAX TRIBUNAL BY JULY 31 OF THE CURRENT YEAR. JULY OR DECEMBER BOARDS OF REVIEW DENIALS MAY BE APPEALED TO THE MICHIGAN TAX TRIBUNAL BY PETITION WITHIN 35 DAYS OF THE DENIAL, PHONE NUMBER (517) 373-4400. A COPY OF THE BOARD OF REVIEW DECISION MUST BE INCLUDED WITH THE PETITION:

MICHIGAN TAX TRIBUNAL
P.O. Box 30232
LANSING, MI 48909