

GUIDELINES FOR APPLICANTS REQUESTING POVERTY EXEMPTIONS (2011)

BY LAW, ALL BOARD OF REVIEW MEETINGS AND INFORMATION DISCUSSED ARE OPEN TO THE PUBLIC. EVIDENCE GIVEN TO THE BOARD OF REVIEW OR THE ASSESSOR IS SUBJECT TO THE FREEDOM OF INFORMATION ACT. INFORMATION REQUESTED UNDER THIS ACT MAY BE RELEASED TO THE PUBLIC.

1. All applicants must obtain and fill out the attached application. The application and all requested documents must be given to the local Assessor no later than:

March 1, 2011 for action by the March Board of Review *or*

July 1, 2011 for action by the July Board of Review *or*

December 1, 2011 for action by the December Board of Review

2. Applicants must own and occupy the homestead property for which the exemption is requested. The homestead percentage, as determined by General Property Tax Law 211.7dd, will determine the percentage of property that can be considered for exemption.

"Homestead" means that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and is owned and occupied as a principal residence by an owner of the dwelling unit. Homestead also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied as a principal residence by the owner. Contiguity is not broken by a road or a right-of-way. Homestead also includes any portion of a principal residence of an owner that is rented or leased to another person as a residence as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in that principal residence. Homestead also includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

"Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 2 of the Farmland and Open Space Preservation Act, Act No. 116 of the Public Acts of 1974, being section 554.702 of the Michigan Compiled Laws. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a homestead exemption on other property. Property used for commercial storage, commercial processing, operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

3. Applicants cannot be considered for exemption if their total household gross income exceeds the following amounts:

| HOUSEHOLD SIZE | ANNUAL HOUSEHOLD INCOME |
|--|--------------------------------|
| Household of -1- shall make no more than | \$10,800.00 |
| Household of -2- shall make no more than | \$14,600.00 |
| Household of -3- shall make no more than | \$18,300.00 |
| Household of -4- shall make no more than | \$22,100.00 |
| Household of -5- shall make no more than | \$25,800.00 |
| Household of -6- shall make no more than | \$29,500.00 |
| Household of -7- shall make no more than | \$33,300.00 |
| Household of -8- shall make no more than | \$37,000.00 |
| For each additional person add | \$3,700.00 |

4. Cash assets for the total household may not exceed an amount equal to one month's Gross household income (see above table).
5. Non-cash assets for the total household may not exceed \$5,000. The following assets are excluded from this limit:
- Applicant's homestead property
 - Applicant's household personal property
 - One vehicle used for personal transportation and titled to a member of the household
 - Applicant's interest in Indian trusts' lands
 - Assets not accessible by the applicant, co-owner or any member of the applicant's household.
6. All applicants, if approved by the Board of Review, will pay taxes equal to 3.5% of their total household gross income. Applicants over 65, paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416, will pay taxes equal to the following percentages:

| | |
|---|------|
| Total household gross income less than \$3,000 | 0.0% |
| Total household gross income \$3,001 to \$4,000 | 1.0% |
| Total household gross income \$4,001 to \$5,000 | 2.0% |
| Total household gross income \$5,001 to \$6,000 | 3.0% |
| Total household gross income greater than \$6,000 | 3.5% |

7. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner, and all members of the household. Any attempt to hide and/or shift income and/or assets to another person, business or corporation shall be grounds for immediate denial.
8. The Board of Review will consider the effect of all Michigan Income Tax Credits the applicant receives or can receive. Credits include Homestead Property Tax Credits, Senior Citizen Prescription Drug Credits and Home Heating Credits.

9. Applications must be filed every year. If granted, exemptions are in effect for the approved year only.
10. Poverty exemptions shall be granted no more than three (3) times *during* one ownership of the property. The Board of Review may grant exceptions for persons over 65, paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled (as defined under Social Security Guidelines 42 USC 416).
11. Applicants must produce a driver's license or other acceptable identification if asked by the Board of Review. Applicants must also produce a deed, land contract or other proof of property ownership if asked by the Board of Review.
12. The Board of Review, Supervisor and/or Assessor will review applications. The Board may ask applicants or their authorized agents to be physically present to answer questions. *The Township Supervisor does have the authority to veto a poverty exemption granted by the Board of Review.*
13. Applicants or their authorized agents may have to answer questions regarding such subjects as financial affairs, health and/or the status of people living in their home at a meeting that is open to the public.
14. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any other source.
15. The Board of Review shall follow the policy and guidelines established by the local government in granting or denying an exemption.
16. The Board of Review may deviate from the guidelines if it determines there are substantial and compelling reasons. Compelling reasons include, but are not limited to, excessive medical expenses or excessive expenses necessary for the care of elderly or handicapped persons. Reasons will be communicated, in writing, to the applicant.
17. Applicants may be subject to investigation of their entire financial and property records by the local government. This would be done to verify information given or statements made to the Board of Review or Assessor in regard to their poverty tax claim.
18. Household income limits are updated each year, using the poverty thresholds established by the Bureau of the Census.
19. Applicants will be sent a written notice of the Board's final decision. An applicant may appeal the Board's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board's decision. Appeals must be filed with the Tribunal within 30 days of the Board's final decision.

DECLARATION OF POVERTY & REQUEST FOR TAX RELIEF APPLICATION

Property ID Number: 30-____-____-____-____-____-____

Current State Equalized Value: \$_____ Current Taxable Value: \$_____

Property Address: _____

APPLICANT INFORMATION

IMPORTANT: It is necessary that you fill out this petition as carefully as you can. All questions must be answered. Please have supporting information such as contracts, mortgage receipts, tax receipts, bankbooks, etc. IMMEDIATELY available. An investigator may call at your home to examine your records. NOTE: Any person making a false petition for the purpose of exemption from taxation shall be guilty of the crime of perjury, and shall be punished accordingly.

I (We) hereby appeal to the Board of Review for a reduction of taxable valuation because of inability to contribute fully toward the public charges by reason of POVERTY.

Name of Owner & Co-Owners: _____

Street Address: _____

City: _____ State: _____ Zip: _____ Phone Number: (____) _____ - _____

Did you or a co-owner apply for a Michigan Homestead Property Tax Credit? Yes____ No____

If YES, did you receive a refund or tax credit? Credit____ Refund____ Amount: \$_____

If NO, reason why: _____

Has a "Homeowner's Principal Residence Exemption Affidavit" been filed for this property?
Yes____ No____. If Yes, what percent (%) exemption was granted? _____%

Owner:

Are you over 65, paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416? Yes____ No____

Co-Owner:

Are you over 65, paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416? Yes____ No____

SUBSTANTIAL & COMPELLING REASONS

In the space below list any substantial and compelling reasons you feel the Board should consider during the evaluation of this petition.

GENERAL INFORMATION

How long have you been a resident of the Township/City? _____ Years

What year did you purchase this property? _____

Purchase Price? \$ _____ Down Payment \$ _____ Interest Rate _____ %

Total unpaid balance of mortgage as of December 31, 2007 \$ _____

Mortgage or Contract Holder:

Taxes: Delinquent years _____ Delinquent Amount \$ _____

Are your taxes included in your mortgage payment? Yes _____ No _____

Is your homeowner's insurance payment current? Yes _____ No _____

Is your homeowner's insurance included in your mortgage payment? Yes _____ No _____

Have you made any improvements to the property during the previous two years? Yes _____ No _____

List all persons living in the household (including yourself):

| <u>LAST NAME</u> | <u>FIRST NAME</u> | <u>Over 18 Yrs. Yes or No?</u> | <u>Source of Income</u> | <u>Monthly Amount</u> |
|------------------|-------------------|---|-------------------------|-----------------------|
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

INCOME & ASSETS

SECTION A: Schedule of Family Income

DO NOT INCLUDE THE FOLLOWING:

- Money received from the sale of property such as stocks, bonds, a house, or a car unless a person is in the business of selling such property.
- Withdrawals of bank deposits and borrowed money.
- Tax refunds, gifts, loans, and lump-sum inheritances, 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 benefit programs such as Medicare, Medicaid, food stamps, and school lunches.

INCLUDE INCOME OF ALL PERSONS RESIDING IN THE HOME:

| | |
|---|----|
| 1. Salaries, wages, tips & other employee compensation (include strike, sick & sub pay) | \$ |
| 2. All dividends & interest (including US., state & municipal bond interest) | |
| 3. Net rent, royalty, business, gambling or lottery income | |
| 4. Annuity & pension benefits; Name of Payer _____ | |
| 5. Net farm income | |
| 6. All Capital gains less capital losses | |
| 7. Alimony & other taxable income; Describe _____ | |
| 8. Other adjusted income | |
| 9. Social Security, supplemental income (SSI) or railroad retirement benefits | |
| 10. Unemployment compensation & trade readjustment allowance (TRA) benefits | |
| 11. Child Support, Military Family Allotments | |
| 12. College or university scholarships, grants, fellowships and assistant fellowships | |
| 13. Other non-taxable income; Describe _____ | |
| 14. Worker's compensation, veteran's disability compensation & pension benefits | |
| 15. ADC, GA or Emergency Assistance benefits | |
| 16. All other public assistance payments (food stamps, fuel assistance, etc.) Describe _____ | |
| 17. SUBTOTAL (add lines 1 through 16) | \$ |
| 18. Insurance premiums you paid for medical care for yourself and family | |
| 19. TOTAL HOUSEHOLD INCOME (subtract line 18 from line 17) | \$ |

SECTION B: Investments

On spaces below, list all stocks, bonds, mortgages, land contracts, annuities, US. Savings Bonds or any other investments you, the co-owner or any member of your household has.

| Description of Investment | Present Value | Income Earned Last Year |
|---------------------------|---------------|-------------------------|
| | \$ | \$ |
| | | |
| | | |
| | | |

SECTION C: Real Estate

In the spaces below, list all property owned in full or in part by you, the co-owner or any member of the household (houses, land, cottages, garages, stores, etc.) Do not list the property this application is being applied for.

| Address of Property | Owner | Market Value | Taxes | Income |
|---------------------|-------|--------------|-------|--------|
| | | \$ | \$ | \$ |
| | | | | |
| | | | | |
| | | | | |

SECTION D: Life Insurance Policies

In the spaces below, list all the insurance policies held by you the co-owner, or any member of the household.

| Insured | Amount of Policy | Amount Paid Monthly | Cash Value of Policy | Name of Beneficiary | Relationship to insured |
|---------|------------------|---------------------|----------------------|---------------------|-------------------------|
| | \$ | \$ | \$ | | |
| | | | | | |
| | | | | | |
| | | | | | |

SECTION E: Motor Vehicles

In the spaces below, list all automobiles, motorcycles, trucks, off-the-road vehicles, etc. owned by you, the co-owner or any member of the household.

| Make & Model | Year | License Number | Monthly Payment | Balance Owed |
|--------------|------|----------------|-----------------|--------------|
| | | | \$ | \$ |
| | | | | |
| | | | | |

SECTION F: All Other Assets

In the spaces below, list all other assets and their values that are owned or controlled by you, the co-owner or any member of the household. (For example, boats, coin collections, antiques, jewelry, etc.)

| Type of Asset | Value | Owner |
|---------------|-------|-------|
| | \$ | |
| | | |
| | | |

EXPENSES

SECTION A: Debts

In the spaces below, list all outstanding debts that you, the co-owner, or any member of the household may have. Include mortgages, home improvement loans, chattel mortgages, finance company loans, personal loans, credit cards, automobile loans, etc. Do not include the mortgage payments for the property being applied for.

| Creditor | Purpose of Debt | Date of Debt | Original Balance | Monthly Payment | Balance Owed |
|----------|-----------------|--------------|------------------|-----------------|--------------|
| | | | \$ | \$ | \$ |
| | | | | | |
| | | | | | |
| | | | | | |

SECTION B: Subsistence Costs

In the spaces below, list the actual monthly household costs where available and estimate the others as closely as possible. You may be asked to verify your estimates with copies of bills and receipts.

| | |
|--|----------|
| 1. Land Contract or Mortgage payment for homestead only..... | \$ _____ |
| Does this amount include an escrow amount for tax purposes? (Circle one) Yes No | |
| 2. Heating..... | \$ _____ |
| Did you receive a State of Michigan Home Heating Credit? (Circle one) Yes No | |
| 2a. If yes, how much \$ _____ (Enter this figure on Line 9) | |
| 3. Electricity..... | \$ _____ |
| 4. Water, Sewer, Garbage..... | \$ _____ |
| 5. Food (exclude alcohol beverages, cigarettes, pet food, pop, etc.)..... | \$ _____ |
| 6. Doctors & Medicine..... | \$ _____ |
| Do you have medical insurance? (Circle one) Yes No If yes who is the provider _____ | |
| Be prepared to provide a copy of your policy) | |
| Did you receive a State of Michigan Senior Citizen Prescription Drug Claim Credit? (Circle one) Yes No | |
| a. If yes, how much \$ _____ (Enter this figure on Line 9) | |
| 7. Homeowner's Insurance..... | \$ _____ |
| 8. Total Subsistence Household Expenses.....(Add lines 1 thru 7)..... | \$ _____ |
| 9. Total Household Credits.....(2a) \$ _____ + (6a) \$ _____ = ... | \$ _____ |
| 10. Net Total Subsistence Household Expenses.....(Subtract line 9 from Line 8).. | \$ _____ |

ADDITIONAL INFORMATION

With this petition you will need to submit last year's copies of the following applicable documents for yourself, the co-owner, and every member of the household.

- 1. Federal, State and City Income Tax Returns - 1040 or 1040A and any schedules
- 2. All W-2 and 1099 forms
- 3. Michigan Homestead Property Tax Credit Claim MI-1040CR
- 4. Michigan Home Heating Credit
- 5. Social Security Benefit Statement Form SSA-1099
- 6. DSS Year End Total Payments Report
- 7. Statement from Friend of the Court

NOTE: DO NOT SIGN THIS PETITION UNTIL WITNESSED BY THE ASSESSOR, BOARD OF REVIEW MEMBER, OR NOTARY.

I (We), _____, being duly sworn, depose and state under the penalties for perjury, that the information contained in this petition and my (our) financial condition as above stated is true and correct and to the best of my (our) knowledge and belief.

I (We), the Co -Owner, or any member of the household has no money, income or property other than herein mentioned. I (We) hereby grant permission to review income tax files in order to process this petition.

I (We) authorize the _____ of _____ to obtain and utilize whatever documentation and/or information necessary.

Applicant

Applicant

Subscribed and sworn this _____ day of _____, _____.

Assessor, Board of Review Member, or Notary