

CHARTER TOWNSHIP OF CLINTON
2023 POVERTY EXEMPTION
POLICY, GUIDELINES, and APPLICATION

Overview:

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

Clinton Township Board of Trustees adopts a policy which includes an asset and income test. The Board of Review shall follow the policy of the local assessing unit in granting or denying an exemption. If a person meets all eligibility requirements then 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.

A taxpayer who files for a poverty exemption at the March Board of Review is not prohibited from also filing an appeal on the assessment and/or taxable value at the March Board of Review. A taxpayer may also file a poverty exemption with the July or December Boards of Review. A taxpayer may appeal a poverty exemption denial to the Michigan Tax Tribunal.

The following policy and guidelines were adopted at the December 19, 2022 meeting of the Clinton Township Board of Trustees. The income levels used are the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services; these levels are updated annually.

Requirements:

1. All applicants must annually file with the Clinton Township Assessing Department a completed application (Form 5737), Affirmation of Ownership and Occupancy (Form 5739), and all required documentation listed on page 5.
 - a. The forms and documentation must be submitted between January 1, 2023 and December 11, 2023 (the day prior to the December Board of Review held on December 12, 2023).
 - b. Handicapped or disabled applicants may call the Assessing Department at (586) 286-9468 to make necessary arrangements for assistance.
2. Federal and state income tax returns **for all persons** residing in the principal residence, including any property tax credit returns (MI-1040CR), filed in the immediately preceding year or in the current year must be submitted.
 - a. If applicant(s) is not required to file a Federal or State Income Tax return, they must complete and file a Poverty Exemption Affidavit (Form 4988) along with the Homestead Tax Credit (MI-1040CR).
3. In accordance with PA 390 of 1994, the applicant must meet the "Asset Guidelines" adopted by the Clinton Township Board of Trustees (attached).
4. Applicant must meet the Federal Poverty Income Guidelines or alternative guidelines adopted by the Clinton Township Board of Trustees (attached).

Failure to meet the requirements, or an incomplete application, will result in a denial of the poverty exemption.

Asset Guidelines

Used in the Determination of Poverty Exemptions for 2023

As required by PA 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit **SHALL** also include an asset level test. The purpose of an asset test is to determine the resources available (cash and 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 following asset test shall apply to all applications for poverty exemption:

- The applicant shall not have “**liquid**” (cash) assets (excluding the value of the principal residence subject to the exemption request) in excess of **two** (2) times the amount of the estimated tax obligation of the current assessment.
- The applicant shall not have other **total** assets (fixed assets or other property, excluding the value of the principal residence subject to the exemption request) in excess of **ten** (10) times the amount of the 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 deny any application if the assets are not properly identified.

Cash and other assets 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
- Extraordinary automobiles
- Jewelry, antiques, or artworks
- Equipment or other personal property of value
- Federal 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
- Recreational vehicles
 - Recreational vehicles may include snowmobiles, boats, camping trailers, travel trailers, motor home, jet skis, motorcycles, off road vehicles, or anything which may be considered a recreational vehicle.

Income Guidelines Used in the Determination of Poverty Exemptions for 2023

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 U.S. 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 \$23,030 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$23,030.

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 2022; Clinton Township will follow these guidelines for establishing poverty exemptions for the 2023 assessments:

Size of Family Unit	Poverty Guidelines
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For each additional person	\$4,720

The income guidelines shall include, but are not limited to, the specific income for the person claiming the exemption and should also include anyone else who is residing there. Meeting the income levels of the Township policy does NOT guarantee the approval of a poverty exemption. Income and assets are reviewed by the Board of Review in the decision making process.

Income includes:

- Money, wages, salaries before deductions, and regular contributions from persons not living in the residence
- Net receipts from non-farm and farm self-employment (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 and governmental retirement and 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

Reduction Calculation

Public Act 253 of 2020 amended MCL 211.7u related to poverty exemptions. PA 253 of 2020 lists 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: 1) a full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or 2) a partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or 3) a partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted. 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 following depicts the income range and corresponding taxable value reduction granted to the eligible applicant for 2023 poverty exemptions:

household size	federal limit	100% Taxable Value exemption	50% Taxable Value exemption	25% Taxable Value exemption
1	\$13,590	\$0 to \$6,795	\$6,796 to \$10,192	\$10,193 to \$13,590
2	\$18,310	\$0 to \$9,155	\$9,156 to \$13,732	\$13,733 to \$18,310
3	\$23,030	\$0 to \$11,515	\$11,516 to \$17,272	\$17,273 to \$23,030
4	\$27,750	\$0 to \$13,875	\$13,876 to \$20,812	\$20,813 to \$27,750
5	\$32,470	\$0 to \$16,235	\$16,236 to \$24,352	\$24,353 to \$32,470
6	\$37,190	\$0 to \$18,595	\$18,596 to \$27,892	\$27,893 to \$37,190
7	\$41,910	\$0 to \$20,955	\$20,956 to \$31,432	\$31,433 to \$41,910
8	\$46,630	\$0 to \$23,315	\$23,316 to \$34,972	\$34,973 to \$46,630

*additional \$4,720
person*

- Income greater than what is stated above, per household size, will result in a denial of the poverty exemption.
- Meeting the income levels above, but failing the asset portion of the exemption, will result in a denial of the poverty exemption.

CHECK LIST 2023 POVERTY EXEMPTION ATTACHMENTS

- Please submit copies only, not originals.
- Provide documents for yourself, spouse, and/or all others that are residing in the home.
- If one of the items below does not apply to you then please cross it off to indicate you do not have anything to provide for that category.
- This completed check-list must be returned with Form 5737 and Form 5739.

_____ Mortgage Statement

_____ Second Mortgage or Equity Loan Statement

_____ Federal Income Tax Return (for 2022 year, filed in 2023) *OR Poverty Exemption Affidavit
if not required to file income tax returns*

_____ State Income Tax Return (for 2022 year, filed in 2023) *OR Poverty Exemption Affidavit
if not required to file income tax returns*

_____ Homestead or Senior Citizen Tax Credit (MI1040-CR) *This form is required regardless of
your requirement to file income tax returns*

_____ W-2 Statements from employer

_____ Social Security Statement

_____ Pension – 1099 statement

_____ Unemployment benefits statement

_____ Alimony payment statement

_____ Child support payment statement

_____ ADC/Welfare statement

_____ Savings Account(s) statement

_____ Checking Account(s) statement

_____ Certificates of Deposit – statements

_____ Stocks, Bonds, etc. – statement

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.			
City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		County	
Name of Local School District			
Parcel Identification Number		Year(s) Exemption Previously Granted by Board of Review	
Homestead Property Address	City	State	ZIP Code
PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)			
<input type="checkbox"/> I own the property in which the exemption is being claimed.			
<input type="checkbox"/> 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.			
<input type="checkbox"/> After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.			
PART 5: CERTIFICATION			
I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.			
Owner or Legal Designee Name (print)		Signature of Owner or Legal Designee	Date
Designee must attach a letter of authority.			
LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)		Tax Year(s) exemption will be posted to tax roll	
CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.			
Assessor Signature		Date Certified by Assessor	

Application 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 the property is located in each year on or after January 1.

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	
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit			
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 Code Number			Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence			
Property Description					
PART 3: 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	

PART 4: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer

Address of Employer

City

State

ZIP Code

Contact Person

Employer Telephone Number

PART 5: 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 6: 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 7: 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 8: 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

PART 9: 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 10: PERSONAL DEBT — List all personal debt for all household members.					
Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: 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)	

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 11: 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 12: 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 35 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
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