

# Board of Review

## 2019 Poverty Exemption Policy and Guidelines

Section 211.7u(1) of the Michigan General Property Tax Act defines poverty exemption as a method to provide relief for those unable to contribute to annual property tax on their principal residence because of their financial situation. The Township Board of Trustees approve the guidelines for awarding a poverty exemption, based on provisions of the Michigan Property Tax Act and Public Act 390, but Board of Review decides the validity of exemption based on materials provided by applicant.

PA 390 of 1994 states that a poverty exemption shall not be granted for property owned by a corporation.

PA 390 requires that the poverty exemption guidelines include the asset levels of the entire household.

The Sherman Township Board of Trustees adopted the following policy and guidelines by resolution.

1. Applicant must submit a copy of the Federal Income Tax Return (1040 or 1040A), State Income Tax Return (MI-1040), and Homestead Tax Credit (MI-1040CR-4) filed in the immediately preceding year or in the current year **for all persons living in the home**. If applicant(s) is not required to file a Federal or State Income Tax return, they must complete and file an Income Tax Exemption Affidavit.
2. Applicant must submit a copy of W-2 Forms, Social Security Statements, or similar income verification for all persons living in the home.
3. Applicant must fill out a Hardship Exemption Application in entirety and submit it by March 1.
4. Applicant must keep the property on which tax relief is sought as the primary residence and must own that residence. A driver's license or other acceptable method of identification demonstrates residence at the property. A deed, land contract, or other document provides evidence of ownership. Copies of both documents must be submitted with application.
5. Applicant must meet the annually adjusted "Federal Poverty Exemption Guidelines." Therefore, application must be made annually.
6. Applicant must submit all Financial Institution balances. The Board of Review will also consider stocks, bonds, life insurance policies, real estate beyond primary residence footprint (home plus five acres), vehicles, recreational vehicles\*, interest income, and any additional assets.
7. The Board of Review shall follow the guidelines in granting or denying an exemption, unless there are substantial and compelling reasons to deviate from the guidelines. Substantial and compelling reasons (e.g., extraordinary medical expenses) must include documentation of the circumstances. Any deviation from the guidelines shall require a unanimous vote of the Board of Review and the Township Supervisor.
8. In accordance with PA 390 of 1994, the applicant must meet the "Asset Guidelines" adopted by the Sherman Township Board of Trustees (page 2).
9. A person who files for a poverty exemption is not prohibited from also filing an appeal on the assessment and/or taxable value.

\* *Recreational vehicles include snowmobiles, boats, camping trailers, travel trailers, motor homes, jet skis, motor cycles, off road vehicles, or anything else which may be considered a recreational vehicle.*

# Sherman Township Asset Guidelines

## Federal Poverty Income Standards

The following are the federal poverty income standards from the United States Office of Management and Budget. Sherman Township adopted these Income Levels for the basis of granting "Poverty Exemptions." These amounts are adjusted annually.

To be eligible for a poverty exemption **your income may NOT exceed these guidelines**. If your income exceeds the levels listed below, you do not qualify for a poverty exemption:

<u>2019</u>	
1 person .....	\$ 12,140
2 persons .....	16,460
3 persons .....	20,780
4 persons .....	25,100
5 persons .....	29,420
6 persons .....	33,740
7 persons .....	38,060
8 persons .....	42,380
For Each Additional Person add .....	4,320

## Maximum asset standard to qualify for poverty exemption

PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall include an asset level test. Sherman Township adopted the following Maximum Asset Standard. Asset levels DO NOT include the value of your primary residence (per Tribunal ruling 08-13-97, Docket #236230), in other words the property for which the application is made, and the equity of that residence should not be included within the asset test to be valid.

Number in household	Total Assets
1 person .....	21,000
2 persons .....	26,000
3 persons.....	31,000
4 persons.....	36,000
5 persons.....	41,000
6 persons.....	46,000
7 persons.....	51,000
8 persons.....	56,000
9 persons or more .....	61,000

If your household assets exceed this amount you are NOT eligible for a poverty exemption. Please fill out the following forms to be considered for a poverty exemption by the Board of Review.

# Hardship Exemption Application

I, \_\_\_\_\_, being owner and resident of the property listed below, apply for tax relief under MCL 211.7u of the General Property Tax Act.

Property Number: \_\_\_\_\_ Property Address: \_\_\_\_\_

Phone ( ) \_\_\_\_\_

Marital Status: \_\_\_\_\_ Age of Applicant: \_\_\_\_\_ Age of Spouse: \_\_\_\_\_

Number of Dependents: \_\_\_\_\_ Age of Dependents: \_\_\_\_\_

Additional household members:

Last Name	First Name	Age	Relationship to Claimant	Place of Employment	Contribution to Family Income

Have you received a Primary Residence Exemption on this property for this year? \_\_\_\_\_

*Attach a copy of your most recent Homestead Tax Credit (1040 CR) and federal or state income tax return.*

## Information on Residence

Is home paid for? \_\_\_\_\_ Unpaid balance: \_\_\_\_\_ Monthly Payment: \_\_\_\_\_

Name of Mortgage Co. \_\_\_\_\_

How long have you lived at this residence? \_\_\_\_\_ Do you or others in your household own/are buying any other property? \_\_\_\_\_

If so, list below:

Property Address	Name of Owner	Assessed Value	Amount and Date of Last Tax Paid

Income earned from property \$ \_\_\_\_\_

Employment (attach additional sheets as needed)

Name of Employer (main income): \_\_\_\_\_

Address: \_\_\_\_\_

Phone No. ( ) \_\_\_\_\_ Additional employers attached?: \_\_\_\_\_

List all household income from salaries, Social Security, pensions, unemployment compensation, disability, workers' compensation, dividends, claims/judgments from lawsuits, alimony, and any other income sources.

Source of Income	Annual Income

Savings and investments

List all savings owned by you and any other member of the household, including savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds or similar investments.

Name of Financial Institution or Investments	Amount on deposit	Name on Account	Value of Investment

Life insurance

List all policies held by you and other household members.

Insured	Amount of Policy	Value if Policy Cashed	Name of Beneficiary	Relationship to Insured

Owned vehicles, including recreational

Brand/Type/Make	Year	Monthly Payment	Balance Owed

# Request for Property Tax Exemption

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: a copy of your latest federal income tax return, state income tax return (MI-1040) and your Homestead Property Tax Credit claim (MI-1040CR 1,2,3 or 4) must be attached as proof of income.

NOTE: Do not sign until witnessed by the Township Supervisor, Clerk, Treasurer, or Board of Review member.

Attach further documentation or information that exceeded the space allotted.

Local government unit: SHERMAN TOWNSHIP, COUNTY OF KEWEENAW, STATE OF MICHIGAN

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

\_\_\_\_\_  
Petitioner

Subscribed and sworn this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
Supervisor, Clerk, Treasurer, or Board of Review Member (select appropriate title)

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This application must be returned no later than the first Monday in March to the Board of Review of Sherman Township.