

**JAMES TOWNSHIP 2024
POVERTY EXEMPTION POLICY**

Approved by the James Township Board of Trustees

James Township Board of Review will accept and evaluate applications for principal residence poverty exemptions according to MCL 211.7u which was updated by Public Act 253 of 2020. Poverty exemptions will be granted by the Board of Review only to eligible claimants who are owners and occupants of the principal residence. The definition of a principal residence is found in Public Act 390 of 1994 and Public Act 620 of 2002. For purposes of the poverty exemption “principal residence” means how principal residence exemption and qualified agricultural property are defined in MCL 211.7dd. The exemption does not apply to a property of a corporation.

Should a poverty exemption be granted, it shall remain in effect for the current tax year only and, under no circumstance shall the poverty exemption be considered permanent. Poverty exemption status shall be considered by the Board of Review as temporary assistance to those who demonstrate a need for property tax relief due to financial hardship or by reason of poverty. Special assessments with no millage rates **do not** qualify for the exemption.

A poverty exemption may not be granted to property owned by a corporation.

The Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for James Township takes this task seriously and attempts to provide relief to all deserving residents within the Township.

ELIGIBILITY AND FILING PROCEDURES

In order to be eligible for the poverty exemption, the claimant must meet the following requirements:

1. The owner **must** file Form 5737 Application for MCL 211.7u Poverty Exemption and all required additional documentation (such as federal/state income tax returns) with the Township Assessor or Township Board of Review after January 1 but before the last day of the December Board of Review.

You may apply once per current calendar year. This exemption does not apply to previous years.

Return the application and supporting documents to the Assessing Department at least **5 days** prior to the beginning of the Board of Review.

2. The claimant **must** own and occupy, as a principal residence, the property for which the exemption is requested.

3. The total household income of all occupants of the property for which the exemption is being claimed may not exceed the Poverty Threshold income standards for the current year as compiled and published by the United States Department of Health and Human Services. A current schedule is included in this policy.
4. The claim must be made in person by the applicant(s). The claim must be accompanied by a form, requesting the exemption that is available from the township assessor.
5. The applicant **must** provide a true copy of federal and state income tax returns **for all persons residing in the principal residence**. The income tax forms shall be for the current year as well as the immediately preceding year. If a person is not required to file an income tax return than Treasury Form 4988 shall be accepted in their place.
6. If you're claiming no income, you **must** submit a detailed and notarized letter explaining how expenses are being met.
7. The Michigan Homestead Property Tax Credit (Form MI-1040 CR) **must be filed** with the Michigan Department of Treasury before an exemption determination will be considered.
8. In the event that the applicant(s) are receiving any form of public assistance, the applicant must then provide a letter authorizing the release of financial assistance information to the James Township Board of Review. This letter shall be addressed to the agency providing the financial assistance to the claimant(s).
9. The applicant(s) must produce a valid driver's license(s) or other forms of identification.
10. If required by the Board of Review, the applicant(s) must provide proof of ownership of the property for which a poverty exemption is being requested if not in the Assessor's records.
11. Meet the asset level test adopted by the local assessing unit.

For purposes of the Poverty Exemption Application applicants are subject to investigation of their entire financial and property records by James Township to verify information given or statements made to the Assessor and Board of Review concerning a poverty exemption application.

Any willful misstatements or misrepresentations made on an Application for Poverty Exemption may constitute perjury, which under the law is a felony punishable by fine or imprisonment.

A claimant may request a poverty exemption to their Board of Review at their March, July or December meeting.

POLICY GUIDELINES FOR POVERTY EXEMPTION

The Board of Review will objectively evaluate poverty exemption applications by utilizing all available and required information, including statements under oath, by the applicant(s) upon appearance before the Board of Review.

If the Board of Review determines that the application meets all of the eligibility criteria of the statute, the Board of Review shall grant an exemption as follows:

For 100% reduction in taxable value, the applicant must meet or fall below the persons in family household income guidelines.

For 75% reduction in taxable value, the applicant must be above the persons in family household at 100% up to 120% of the in persons household income guideline.

For 50% reduction in taxable value, the applicant must be above the persons in family household at 120% income up to 135% of the in persons household income guideline.

For 25% reduction in taxable value, the applicant must be above 135% of the persons in family household income up to 150% of the in persons household income guideline.

	<u>2023 Persons in family/household</u>		<u>Poverty guideline</u>	
	100%	120%	135%	150%
1	\$14,580	\$17,496	\$19,683	\$21,870
2	\$19,720	\$23,664	\$26,622	\$29,580
3	\$24,860	\$29,832	\$33,561	\$37,290

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.

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. For reference, the federal poverty guidelines to be used are published annually by the State Tax Commission.

According to the United States Census Bureau “income” includes, but is not limited to:

- Money, wages, salaries before deductions, regular contributions from persons not living in the residence.
- Net receipts from nonfarm self-employment. These are receipts from a person’s own professional enterprise, or partnership before expense deductions.
- Net receipts from farm self-employment. These are receipts from a farm which operates as an owner, renter, or sharecropper before deductions for expenses.
- Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker’s 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 Assistance or General Relief money payments.)
- Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.
- Private pensions, government employee pensions (including military retirement

- pay), and regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, and assistantships.
 - Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.
 - All other sources of income received by the applicant(s) and those residing in the household that is not specified in this section.
 - The Michigan homestead property tax credit **cannot** be considered as income.

Asset Guidelines

Applicants cannot have more than (2) times the annual household income of the applicant or those contributing to the expenses of the household in **total assets** to be eligible for consideration and no more **“liquid assets”** than two (2) times the estimated annual tax obligation of the current taxable value. “Liquid assets” may include, but is not limited to, the cash value of life insurance policies, mutual funds, bonds or stocks as well as money market accounts, savings accounts, or checking accounts. Value of furniture and clothing shall not be considered.

Total assets may include, but is not limited to, cars, boats, recreational vehicles, snow mobiles, motorcycles, off road vehicles or other personal property of value. The total assets do not include the value of the home, immediate home site and one (1) automobile.

If your income exceeds the amounts shown or your assets exceed the amounts shown you are **NOT** eligible for a Poverty Exemption.

The above stated **2023 James Township Poverty Exemption and Asset Test Policy was duly reviewed and adopted by the James Township Board of Trustees on January 10, 2023 by the following Board action:**

A Motion supporting the adoption of the 2023 James Township Poverty Exemption and Asset Test Policy was offered by Board Member _____ and supported by Board Member _____.

Upon roll call vote, the following voted	"Aye:"	"Nay:"	“Absent”
Joanne Boehler	<u> 1 </u>	_____	_____
James Gray	_____	_____	<u> 1 </u>
Gary Hakes	<u> 1 </u>	_____	_____
Marcia Wieneke	<u> 1 </u>	_____	_____
Edward Hak	<u> 1 </u>	_____	_____

The Supervisor declared the resolution adopted.

Edward Hak
James Township Supervisor

I, _____, the duly elected and acting Clerk of James Township, hereby certify that the above policy was adopted by the township board of said township at the regular meeting of said board held on March 11, 2024, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said policy was ordered to take immediate effect.

James Gray
James Township Clerk

Required Documents Checklist

- ___ Completed Form 5737 – Application for MCL 211.7u Poverty Exemption
- ___ Proof of Identity (driver’s license, picture identification, etc.).
- ___ Proof of ownership (deed, contract, etc.) if requested by the Board of Review.
- ___ Proof of residency for all (ID, report cards, etc.).
- ___ Proof of income for all adults (most recent six-month period - pay stubs, Social Security, etc.).
- ___ If claiming no income, you must submit a detailed and notarized letter explaining how expenses are being met.
- ___ Copies of self-employment documents (checks, receipts), if applicable.
- ___ Copies of unemployment compensation, if applicable.
- ___ Copies of most recent bank statement(s) for all adults.
- ___ Federal Income Tax Return (most recent) or Poverty Exemption Affidavit (Form 4988) if filing is not required, for all adults.
- ___ State Income Tax Return (most recent) or Poverty Exemption Affidavit (Form 4988) if filing is not required, for all adults.
- ___ Copies of non-cash benefits letters such as Bridge Card/DHS assistance, if applicable.
- ___ Copy of child/spousal support or alimony letter, if applicable.
- ___ Most recent Michigan homestead property tax credit claim.
- ___ Veterans benefit statement.
- ___ Profit and loss statement for the previous calendar year, if self-employed.
- ___ Worker’s compensation.
- ___ Income from renters or boarders.
- ___ Mortgage payment or lease statement for the previous calendar year.
- ___ Homeowner’s insurance for the previous calendar year.
- ___ Heat and electric bills for the last 12 months.
- ___ Documentation of other assets of value; jewelry, antiques, artworks, equipment, etc.

This is not an exhaustive list. Further documentation may be requested at the discretion of the Assessing Department.