

CITY OF WAKEFIELD

2022 POVERTY EXEMPTION POLICY, GUIDELINES AND APPLICATION

POLICY

The City of Wakefield will grant partial exemptions due to poverty according to Section 211.7u of the Michigan Compiled Laws. ***Property Tax Poverty exemptions must be applied for each year.***

The Assessor and the Board of Review will apply the guidelines as adopted by the City uniformly to all applicants without prejudice and shall not deviate from the adopted guidelines without substantial and compelling reasons. Any such deviation shall be communicated in writing to the applicant. (211.7u).

The Assessor will determine the estimated property tax liability for the applicable tax year and the estimated State homestead credit for each applicant. The exemption shall not exceed the tax liability minus the estimated homestead credit refund received during the current tax year. (Example: if the tax liability is \$1000 and the homestead credit received in the current tax year is \$300, the exemption shall not exceed \$700.)

~~The Board of Review may deviate from the above policy where there are substantial and compelling reasons and such substantial and compelling reasons are communicated in writing to the City Council and the claimant (211.7u).~~

GUIDELINES

The applicant shall:

1. Be the owner and occupant of the homestead property for which an exemption is applied (211.7u).
2. The applicant may appeal personally by appointment, in writing, or through an agent authorized in writing by the property owner.
3. File a claim (application) on the form provided by the City Assessor. The filing of a claim constitutes an appearance before the Board of Review for the purpose of preserving the claimant's right to appeal (211.7u). The application form shall be fully completed.
4. The applicant shall complete the poverty exemption application form in advance of the hearing date, including a copy of the current or prior year Federal and Michigan Tax Returns, for all persons residing in the homestead. Any additional information to be presented to the Board must be in writing and attached to the application.
5. All applications must be received at the Assessor's office one full business day prior to the final published session of the Board of Review.
6. Sign the application at the City Hall when the application is returned and notarized. If the applicant cannot personally return the application, a notarized application is acceptable.
7. Supply a copy of federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns, filed in the immediately preceding or in the current year (211.7u).
8. Supply a copy of proof of income for the most recent one-month period for all household members (current pay stubs, benefit statement, etc.)
9. The Board of Review may require a driver's license, deed, or any form of documentation necessary for verification.
10. An explanation will be required for all household members over the age of eighteen who are not cited as contributing to the household income.
11. All assets excluding the homestead property, household personal property (i.e., clothing, furniture, appliances) and on automobile may not exceed \$10,000.
12. Poverty exemption are granted for one year only. Under no circumstances will a poverty exemption continue for a subsequent year without a completed and updated application.

If the applicant fails to supply the required documents or if it is found that the information supplied is fraudulent, the application **shall be denied**.

Income Test

Applicant's annual household income shall not exceed the federal poverty income thresholds as defined and determined annually by the U.S. Department of Commerce (See attached definition of income).

Income Guidelines for 2022 Tax Year

Size of Family Unit	Federal Poverty Guidelines	Gogebic County HUD Guidelines (Extremely Low)
One (1) Person	\$12,800.00	\$13,550.00
Two (2) Persons	\$17,420.00	\$17,420.00
Three (3) Persons	\$21,960.00	\$21,960.00
Four (4) Persons	\$26,500.00	\$26,500.00
Five (5) Persons	\$31,040.00	\$31,040.00
Six (6) Persons	\$35,580.00	\$35,580.00
Seven (7) Persons	\$40,120.00	\$40,000.00
Eight (8) Persons	\$44,660.00	\$42,600.00
Each additional person, add.	\$4,540.00	

Income of students under the age of 18 years **shall not** be included.

Asset Test

The value of property in excess of what is considered part of the original homestead shall be considered an asset

The True Cash Value of the property for which the poverty exemption is requested shall be a consideration by the Board of Review when determining hardship.

Assets include, but are not limited to: real estate other than principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc. For purposes of this paragraph, the Board of Review shall consider the value of the assets and shall not reduce such value by any indebtedness owed on such assets, or indebtedness otherwise owed by the applicant(s).

All assets excluding the homestead property, household personal property (i.e., clothing furniture, appliances) and one automobile may not exceed \$10,000.00

Full and partial exemptions are granted under the following circumstances:

Income	Assets	Exemption
Below Federal Guideline	Less than \$10,000	Full exemption granted (taxable value reduced to 0)
Below Gogebic County Guideline	Less than \$5,000	50% exemption granted (taxable value reduced by 50%)
Below Gogebic County Guideline	Between \$5,001 and \$10,000	25% exemption granted (taxable value reduced by 25%)

The Bureau of the Census defines income to include the following:

1. Money wages and salaries before any deductions.
2. Net receipts from non-farm self-employment. These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses.
3. 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.
4. Regular payments from social security, railroad retirement, an employment compensation, strike benefits from union funds, workers' compensation, veterans' payments, 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).
5. Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.
6. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
7. College or university scholarships, grants, fellowships, and assistantships.
8. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Income does not include the following:

1. 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.
2. Withdrawals of bank deposits and borrowed money.
3. Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments.
4. Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
5. Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches.

Reset Form

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

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
E-mail: taxtrib@michigan.gov

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date

Application Required Documents Checklist

- ___ Federal Income Tax Return (previous year)
- ___ State Income Tax Return (previous year)
- ___ Property Tax Credit Return (previous year)
- ___ Proof of Income (most recent one month period - pay stubs, benefit statements, etc.)
- ___ Proof of Identity (drivers license, pictured identification, etc.)
- ___ Proof of ownership (deed, contract, etc.)

I certify that the above information is true and correct to the best of my knowledge.

Signature _____ Date: _____