

CALEDONIA TOWNSHIP POVERTY EXEMPTION RESOLUTION FOR 2023

WHEREAS the adoption of guidelines for poverty exemptions is required of the Bearinger Township Board; and

WHEREAS, the principal residence of persons, who the Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under public act 390 of 1994 (MCL211.7u) and

WHEREAS, pursuant to PA 390 of 1994, the township of Caledonia Of Alcona County adopts the following guidelines for the Board of Review to implement. The guidelines shall include, but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current of immediately preceding year.

To be considered for a poverty exemption, a person shall meet the following requirements on an annual basis:

- 1) Be an owner of and occupy as principal residence the property for which an exemption is requested.**
- 2) File a claim using the completed Poverty Exemption Application with the Assessor or Board of Review, accompanied by current or previous year's Federal Income Tax Return (1040) and Michigan Income Tax Return (MI-1030) for all persons residing in the home for which exemption is sought, including any property tax credit returns filed in the immediately preceding year or in the current year.**

3) File a claim reporting that the combined assets of all persons do not exceed the current guidelines as stated herein. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.

a) Asset guidelines:

- The principal residence shall not exceed 3 acres; excess land will be considered an asset and reviewed for exemption reduction.
- Asset values for claimant's real estate other than principal residence, whether singular or multiple, parcels cannot exceed an assessed (SEV) value of \$2,000.
- The applicant and driving-age occupants shall be limited to one truck or car for transportation valued at no more than \$15,000 per vehicle per wage earner.
- Recreational personal property including, but not limited to, snow machines, personal watercraft, motorhomes, motorcycles, 3- or 4-wheelers, golf carts or scooters shall be limited to a combined estimated true cash value of \$10,000. Personal assistance indoor/outdoor scooters (e.g., motorized chairs) are not considered recreational vehicles and are excluded.
- Investments will be considered individually on a case-by-case basis to be determined whether they are liquid assets or income/subsistence assets.

b) Asset Test. 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 following asset test shall apply to all applications for poverty exemption.

Total assets (land, vehicles, other assets) shall not exceed a cash value of \$25,000.

- 4) Produce a valid driver's license or other form of identification if requested.
- 5) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
- 7) The application for an exemption shall be filed after January 1, but one day prior to the last day of the December Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The following are the federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

Federal Poverty Guidelines for 2023 Assessments:

Number of Persons Residing Poverty Guidelines In the Principal Residence:

Annual Allowable Income:

| | |
|-------------------------|------------------------|
| <u>1 Person</u> | <u>\$13,590</u> |
| <u>2 Persons</u> | <u>\$18,310</u> |
| <u>3 Persons</u> | <u>\$23,030</u> |
| <u>4 Persons</u> | <u>\$27,750</u> |
| <u>5 Persons</u> | <u>\$32,470</u> |
| <u>6 Persons</u> | <u>\$37,190</u> |
| <u>7 Persons</u> | <u>\$41,910</u> |
| <u>8 Persons</u> | <u>\$46,630</u> |

Each additional person – add \$4,720

Note: MCL 211.7u allows an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This includes the owner of the property who is filing for the exemption.

Starting in 2021, to request a poverty exemption, a taxpayer must file:

1. Form 5737 -Application for MCL 211.7u Poverty

or

2. Form 5738 - Request for Approval of Percentage Reduction in Taxable Value for Poverty Exemptions Under MCL 211.7u

3. Form 4988 - Poverty Exemption Affidavit

2. All required additional documentation (such as federal/state income tax returns

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Township Board of Review shall follow the above stated income and asset policy and federal guidelines in granting or denying an exemption.

Adopted on 7-12-23

Yay's: 4

Nay's: 0

Signed: Cathy H. Smith Twp Clerk