



CITY OF PLYMOUTH

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Plymouth, Michigan 48170-1637

www.plymouthmi.gov

Phone 734-453-1234
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GUIDELINES AND INSTRUCTIONS FOR POVERTY EXEMPTION - 2024

General Information and Instructions for Applying for Poverty Exemption

If granted an exemption, it is for the current year only and for a 50% reduction of the taxable value. If your situation warrants an exemption in years following, a new application must be submitted for review. The Low/Limited Income exemption is meant to be a temporary form of assistance temporary form of assistance.

Per, MCL 211.7u(3), the application for consideration must be received by the Assessor's Office at least one day prior to the last session of the Board of Review. Board of Review dates are posted annually and may also be found at www.plymouthmi.gov or by calling (734) 453-1234. By resolution by the Plymouth City Commission, application can be made by mail.

The application must be filled out in its entirety and all requested documentation must be attached. If an area does not apply to the applicant, "N/A" must be used. If the application is not complete or requested documentation is not included, the Board of Review will deny the exemption. All pages included with this application must be returned when the application is submitted for review.

MCL 211.7u(7), a person who files a claim for Poverty exemption IS NOT prohibited from also appealing the assessment on the property to the Board of Review in the same year

Required Documentation to be Attached to Poverty Exemption Application

Per MCL 211.7u(2)(b) federal and state income tax returns for all persons residing in the household must be included with the application including any property tax credit returns. The tax returns may be from the current or preceding tax year. If any person in the household is not required to file federal or state tax returns, the included affidavit, form 4988 must be completed by each person that does not file taxes.

The most recent statement for all bank accounts, investments, IRAs, CDs, 401ks, money market, annuities, etc. The statement submitted must be complete with no missing pages and submitted for all persons residing in the home.

Proof of income/assets from the Social Security Administration, Veterans Administration, Medicare, Medicaid, Bridge Card, and any College/University scholarships for all persons residing in the home.

The most recent mortgage statement of the primary residence under review, including any reverse mortgages.

If primary residence being sought for exemption was purchased within the past two years of this application, homeowner's closing statements must be submitted with application.

Common Reasons for Denial of Poverty Exemption Application

Below are common reasons (but not an exhaustive list) of why a claim for Poverty Exemption is denied:

- Failure to fill out all areas of the application, including "N/A" in areas not applicable to the applicant or signing the application.
- Failure to include State and Federal Income taxes or Michigan 1040CR for current or one preceding year for all persons residing in the home. **Please note that the State of Michigan 1040 CR is required to be filed with this application. It can still be filed with the State of Michigan even if the applicant does not file income taxes.**
- Failure to include complete banking/investment account and mortgage statements for all persons residing in the home. All pages must be submitted.

INCOME GUIDELINES FOR POVERTY EXEMPTION *

* Per Michigan State Tax Commission Bulletin number 18 of 2023, "Procedural Changes for 2024", November 14, 2023

<u>Number in Family</u>	<u>Income</u>
1 member	\$ 14,580
2 members	\$ 19,720
3 members	\$ 24,860
4 members	\$ 30,000
5 members	\$ 35,140
6 members	\$ 40,280
7 members	\$ 45,420
8 members	\$ 50,560
For each additional person	# \$ 5,140

According to the US Census Bureau, "income" includes:

- Money, wages, and salaries before any deductions
- 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.)
- Net receipts from farm self-employment. (The same provisions as above for self-employment.)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments and public assistance.
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, 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.

ASSET LEVEL GUIDELINES FOR POVERTY EXEMPTION

The Asset Level does not include the primary residence for which exemption is being sought. It does include, but is not limited to:

- A second home, additional land not associated with the primary residence, or other buildings other than the primary residence being sought for exemption.
- Vehicles and other recreational vehicles such as motor homes, campers, ATVs, boats, and motorcycles.
- Jewelry, antiques, artwork, equipment, and other personal property of value.
- Bank accounts, stocks, bonds, and investments. This also includes the money received from the sale of stocks, bonds, investments, cars, and houses unless a person is in the specific business of selling such property.
- Withdrawals of bank accounts and borrowed money.
- Gifts, loans, lump-sum inheritances, and one-time insurance payments.
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, and school lunches.

The total interest income in all accounts (checking, savings, CDs, IRAs, 401ks, money market, annuities, etc.) CANNOT exceed \$1,500 in the prior calendar year.

The applicant shall not have ownership interest in any real estate other than the primary residence being considered for exemption.

The maximum amount in banking/investment accounts is \$10,000 per each person residing in the household with a maximum of \$20,000 for the total household.

Maximum total allowed assets, including amounts in banking/investment accounts may not exceed \$25,000 for the entire household. See above for what is considered an asset.

Poverty Exemption Worksheet - Copy Provided to Applicant After Board of Review Meeting

Parcel Number: 49 _____
 Property Address: _____
 Applicant's Name: _____

Year: _____

Staff - Initial next to all requirements as it relates to the application/applicant.		
Does the applicant appear as taxpayer of record of property in question?	Yes _____	No _____
If not, has documentation proving ownership been provided?	Yes _____	No _____
Are all areas on the application complete with either an answer or "N/A"?	Yes _____	No _____
Are all pages of the guidelines/application included with the applicants submission?	Yes _____	No _____
Does the applicant reside at the property in question?	Yes _____	No _____
Are copies of the Federal and State income tax returns and property tax credits forms for	Yes _____	No _____
If not, is the affidavit stating the person is not required to file income taxes completed?	Yes _____	No _____
If home was purchased within in past 2 years of date of this application, is closing	Yes _____	No _____
Is a copy of the most current mortgage statement, including a reverse mortgage if	Yes _____	No _____
Are copies of the most recent bank/investment statements for all residing in the	Yes _____	No _____

For Board of Review Use Only - Do Not Write Below This Line

a. Taxable value on roll	\$ _____	
b. Number of people in household	_____	
c. Total household income from information provided	\$ _____	
d. Income limit based on number of people in	\$ _____	
e. Total assets of household	\$ _____	
f. Does applicant meet all asset and income guidelines	<input type="checkbox"/> YES <input type="checkbox"/> NO	If no, reason must be provided by the
g. If yes, multiply line "a" by 50% (0.50)	\$ _____	
_____ Appeal Denied		_____ Reduction Granted
		<u>Taxable Value</u>
_____ 1. Does not qualify based on guidelines		As on Roll \$ _____
_____ 2. Application not complete, missing information		
_____ 3. Did not furnish proper documentation		Revised \$ _____
_____ 4. Other: _____		

Initials of Board Members:		Date: _____

Asset Test and Income Guidelines approved by City of Plymouth Commission February 15, 2021, Resolution 2021-18

Michigan Department of Treasury
4988 (05-12)

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 of 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 of 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 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 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)	

Continue and sign on Page 4

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		
<p>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.</p>		
<p><input type="checkbox"/> 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.</p>		
PART 12: CERTIFICATION		
<p>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.</p>		
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

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		Year(s) Exemption Previously Granted by Board of Review	
Parcel Identification Number	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	

Subject: POVERTY EXEMPTION GUIDELINES

Date: February 16, 2021

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PURPOSE:

The purpose of this policy is to establish guidelines to be used by the Board of Review in determining whether a homeowner is eligible for a poverty exemption from property taxes.

SCOPE:

The poverty exemption policy applies to qualified low income individuals who own homesteads in the City of Plymouth. The policy limits the length of poverty exemptions to one year.

POLICY:

The Board of Review shall use the following guidelines to determine if a property owner qualifies for a poverty exemption from property taxes:

1. Exemptions will be granted to owners of homesteads only. Property must be granted at least a 50% homestead exemption from the State of Michigan.
2. Per, MCL 211.7u(3), the application for consideration must be received by the Assessor's Office at least one day prior to the last session of the Board of Review. The application can be made by mail, if received one day prior to the last session of the Board of Review.
3. All applicants must file a claim with the Board of Review on a form prescribed by the State Tax Commission. The application must be filled out in its entirety and all requested documentation must be attached. If an area does not apply to the applicant, "N/A" must be used. If the application is not complete or requested documentation is not included, the Board of Review will deny the exemption. All pages included with this application must be returned when the application is submitted for review.
4. Per MCL 211.7u(7), a person who files a claim for Poverty exemption IS NOT prohibited from also appealing the assessment on the property to the Board of Review in the same year.
5. The poverty threshold for eligibility for a poverty exemption is a figure which set by the Federal income standards established by the United States Office of Management and Budget for the previous calendar year. To be eligible for a poverty exemption from property taxes, the income of the property owner (household) must be less than the poverty threshold for the number of persons within the household.
6. All income and assets for persons in the household are reported in accordance with a form prescribed by the State Tax Commission.

Subject: POVERTY EXEMPTION GUIDELINES

Date: February 16, 2021

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- a. Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence must be included with the application including any property tax credit returns. The tax returns may be from the current or preceding tax year. If any person in the household is not required to file federal or state tax returns, the included affidavit, form 4988, must be completed by each person that does not file taxes.
 - b. The most recent statement for all bank accounts, investments, IRAs, CDs, 401Ks, money market, annuities, etc. The statement submitted must be complete with no missing pages and submitted for all persons residing in the home.
 - c. Proof of income/assets from the Social Security Administration, Veterans Administration, Medicare, Medicaid, Bridge Card, and any College/University scholarships for all persons residing in the home.
 - d. The most recent mortgage statement of the primary residence under review, including any reverse mortgages.
 - e. If primary residence being sought for exemption was purchased within the past two years of this application, homeowner's closing statements must be submitted with application.
7. Maximum total allowed assets, including amounts in banking/investment accounts may not exceed \$10,000 per each person residing in the household with a maximum of \$20,000 for the total household. The Asset Level does not include the primary residence for which exemption is being sought. It does include, but is not limited to:
- a. A second home, additional land not associated with the primary residence, or other buildings other than the primary residence being sought for exemption.
 - b. Vehicles and other recreational vehicles such as motor homes, campers, ATVs, boats, and motorcycles.
 - c. Jewelry, antiques, artwork, equipment, and other personal property of value.
 - d. Bank accounts, stocks, bonds, and investments. This also includes the money received from the sale of stocks, bonds, investments, cars, and houses unless a person is in the specific business of selling such property.
 - e. Withdrawals of bank accounts and borrowed money.
 - f. Gifts, loans, lump-sum inheritances, and one-time insurance payments.
 - g. Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
 - h. Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, and school lunches.
 - i. The total interest income in all accounts (checking, savings, CDs, IRAs, 401Ks, money market, annuities, etc.)

Subject: POVERTY EXEMPTION GUIDELINES

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- j. The applicant shall not have ownership interest in any real estate other than the primary residence being considered for exemption.
 - 8. Applicants that meet the income and asset qualifications will have the taxable value reduced by 50% for the current year.
 - 9. Poverty exemptions shall be granted for one year only. The property owner must apply every year in order to receive an exemption.

EFFECTIVE DATE: Febraury 16, 2021

HISTORY:

In accordance with section 211.7u of the Michigan Compiled Laws, the City of Plymouth has for many years offered a partial poverty exemption, through the Board of Review, to qualified homeowners.

On December 29, 1994, the Governor signed Public Act 390 which made significant changes to the poverty exemption. The most significant of these changes was the use of the Federal poverty income standards. This change resulted in a drop in the number of exemptions granted from twelve in 1995 to one person in 1996. P.A. 390 also states that the governing body of the local assessing unit shall determine the policies and guidelines which the local assessing unit will use when deciding whether to grant poverty exemption.

On December 23, 2020, the Governor signed Public Act 253 which made additional changes to the poverty exemption section. The most significant of these changes was revising the guidelines in calculation of the reduction to the taxable. If a person meets all eligibility requirements in statute, 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 OR any other percentage reduction in taxable value approved by the STC.
