

City of Southgate 2018 Poverty Exemption Guidelines & Application

Federal and state income tax returns for all persons residing in the household must be included with the application. **The Homestead Property Tax Credit Claim Form (MI-1040CR) must also be included.**

The tax returns may be from the current or immediately preceding tax year

If you are applying for the Hardship Exemption, please read the following guidelines and fill out the attached application form in its entirety.

If granted an exemption, it is for the **current year only**. If your situation warrants an exemption in years following, a new application must be submitted for review. The hardship exemption is meant to be a temporary form of assistance.

1. All applicants must be the owner and resident of the property in which tax relief is filed on. They must provide a driver's license or other acceptable method of identification
2. Provide if requested, a deed, land contract, or other evidence of ownership of the property for which the exemption is requested.
3. Meet the federal poverty income guidelines for the year of application 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.

The following is the current **2018** federal poverty income guidelines which will be 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 Used in the Determination of Poverty Exemptions for 2018

** Per Michigan State Tax Commission Bulletin number 24 of 2017, "Changes for 2018," November 28, 2017*

<u>Number in Family</u>	<u>Income</u>
1 member	\$ 12,060
2 members	\$ 16,240
3 members	\$ 20,420
4 members	\$ 24,600
5 members	\$ 28,780
6 members	\$ 32,960
7 members	\$ 37,140
8 members	\$ 41,320
For each additional person	\$ 4,180

4. Applicants must fill out an “Application for Hardship Exemption” **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.
5. Federal and state income tax returns for all persons residing in the household must be included with the application. **The Homestead Property Tax Credit Claim Form (MI-1040CR) must also be included.** The tax returns may be from the current or immediately preceding tax year. If any person in the household is not required to file federal or state tax returns, **they must return a signed Form 4988, Poverty Exemption Affidavit (MCL 211.7(u)(2)(b))**
 - a) See Page 7 of application for Form 4988
6. The total of all household assets, not including the primary residence shall **not exceed \$25,000.** Assets include and are not limited to real estate other than the principal residence, personal property (jewelry, art, collections, etc.), motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc. Statements must be complete with no missing pages.
7. Income included as household income shall be from any and all sources by all persons whether living in the household or not, and shall include but not limited to gifts and contributions, state or federal aid, alimony, pension, insurance benefits, return on investments, and any other forms of compensation received for purposes of establishing exemption eligibility.
8. Proof of income/assets from the Social Security Administration, Veterans Administration, College/University scholarships, for all persons residing in the home.
9. [MCL 211.7u \(5\)](#) allows the Board of Review to deviate from the established guidelines if there are substantial and compelling reasons. It is required that all "substantial and compelling" reasons be documented. For example, unusual or unexpected high medical expenses.
10. If the applicant qualifies for Poverty Exemption, the Board of Review may grant a complete exemption from property taxes, a partial reduction in property taxes, or no reduction as set forth in these guidelines. Approval of the application does not automatically warrant a complete exemption from property taxes. Under no circumstances shall the Board of Review reduce the taxable value lower than that which produces an annual tax equal to 3.5% of an applicant's income plus any property tax credit refund payable by the State of Michigan (1040CR) so as not to reduce applicant's following year income tax refund.
11. 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.
12. 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. ([MCL 211.7u \(6\)](#))
13. The application for consideration must be filed with the Assessor's Office after January 1, but before the day prior to the last day of March, July or December Board of Review. ([MCL 211.7u \(3\)](#))
14. Any willful misstatements or misrepresentations made on the application may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

POVERTY EXEMPTION APPLICATION

I, _____, Petitioner, being the owner and residing at the property that is listed below as my principal residence, apply for property tax relief under MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893. The principal residence of persons who by reason of poverty are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation per MCL 211.7u (1).

In order 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.

PERSONAL INFORMATION: Petitioner must list all required personal information.

Property Address of Principal Residence:	Daytime Phone Number:	
Age of Petitioner:	Marital Status:	Age of Spouse:
Number of Legal Dependents:	Age of Dependents:	
Applied for Homestead Property Tax Credit (yes or no):	Amount of Homestead Property Tax Credit:	

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 BOR 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:		

ADDITIONAL PROPERTY INFORMATION: List information related to any other property you, or any household member owns.

Do you own, or are buying, other property (yes or no)? If yes, complete the information below.		Amount of Income Earned from Other Property:	
Property Address	Name of Owner(s)	Assessed Value	Amount & Date of Last Taxes Paid
		\$	
		\$	

EMPLOYMENT INFORMATION: List your current employment information. Add additional page if multiple employers

Name of Employer:	Name of Contact Person:
Address of Employer:	Employer Phone Number:

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRA's (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 sources of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

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

LIFE INSURANCE: List all policies held by all household member(s).

Name of Insured	Amount of Policy	Monthly Payment	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

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

LIST ALL PERSONS LIVING IN HOUSEHOLD: All persons residing in the residence must be listed.

First & Last Name	Age	Relationship to Applicant	Place of Employment	Amount of Monetary Contribution to Family Income

PERSONAL DEBT: All personal debt for all household members must be listed.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

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 (list type):
Other (list type):	Other (list type):	Other (list type):
Other (list type):	Other (list type):	Other (list type):
Other (list type):	Other (list type):	Other (list type):

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: Per MCL 211.7u(2b), a copy of all household members federal income tax returns, state income tax returns (MI-1040) and Homestead Property Tax Credit claims (MI-1040CR 1, 2, 3 or 4) must be attached as proof of income or a signed Form 4988, *Poverty Exemption Affidavit*. Documentation for all income sources including, but not limited to, credits, claims, Social Security income, child support, alimony income, and all other income sources must be provided at time of application.

I, the undersigned Petitioner, hereby declare that the foregoing information is complete and true and that neither I, nor any household member residing within the principal residency, have money, income or property other than mentioned herein.

Petitioner Signature

Date

This application shall be filed after January 1, but before the day prior to the last day of the December Board of Review to the address below.

City of Southgate
c/o Assessor's Office, Board of Review
14400 Dix Toledo Road
Southgate, MI 48195

Decisions of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. July or December Board of Review denials may be appealed to Michigan Tax Tribunal by petition within 35 days of the denial. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing, MI 48909
Phone: 517-373-4400
E-mail: taxtrib@michigan.gov

All household members must file this form if they do not file federal or state income tax.

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 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

For Office Use Only

Parcel ID#: _____

Year: _____

Applicants Name: _____

Property Address: _____

Poverty Exemption Worksheet

Must enter gray areas

**Income Guideline for a () Person Household
Is applicant over income/asset guidelines?**

Yes: _____ No: _____

Household Income (line 33 - MI 1040 CR)
Multiply income by 3.5%

(a) **\$0**

Maximum Refund
(subtract 1,200 or actual amount of refund)

(b) **\$0**

Total Tax Obligation (add line a & b)

(c) **\$0**

Taxable Value

(d) **\$0**

Millage rate

0

Tax Bill (taxable value x millage rate)

(e) **\$0.00**

Tax obligation (line c)

(f) **\$0**

Excess tax obligation based on income
(subtract line f from line e)

(g) **\$0**

Taxable value adjustment
(line g divided by millage rate)

(h) **\$0**

Property Taxable Value
(line d - line h)

\$0

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

_____ Appeal Granted	Original Taxable Value: \$0
_____ Qualified based on Guidelines	Revised Taxable Value: \$0
_____ Appeal Denied	
<u>Denial Reasons:</u>	Initials of Board Members:
_____ Does not Qualify based on Guidelines	
_____ Applications not complete, missing information	
_____ Did not Furnish Proper Documentation	
_____ Other: _____	Date: _____