

**GREENWOOD TOWNSHIP
2022 Poverty Exemption
Policy, Guidelines and Application**

Section 211.7u(1) of the Michigan General Property Tax Act indicates that “the principal residence of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act.”

The Greenwood Township Board adopts a policy which includes an **asset and income** test. The Board of Review shall follow the Greenwood Township Board policy when granting or denying an exemption. If a person meets **all** eligibility requirements, 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.

A taxpayer who files for a poverty exemption at the March Board of Review is not prohibited from also filing a valuation appeal at the March Board of Review. A taxpayer may also file a poverty exemption application with the July or December Board of Review. Poverty exemption denials may be appealed to the Michigan Tax Tribunal.

The following policy and guidelines were adopted at the May 10, 2022 Greenwood Township Board meeting. The income levels used are the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services. The income levels are updated annually.

Requirements:

1. All applicants must annually file a completed application form and all required documentation with the Greenwood Township Assessing Department. The application and supporting documentation must be submitted on or after January 1, 2022, but before the December Board of Review. Handicapped or disabled applicants may call the Assessing Department at (586) 445-3661 to make arrangements for assistance.
2. All applicants must provide a complete, signed Federal Income Tax return and State Income Tax return, including the Homestead Property Tax Credit (MI-1040CR), that were filed in the immediately preceding year or in the current year **for all persons** residing in the principal residence. If the applicant(s) is not required to file a Federal or State Income Tax return, a signed Poverty Exemption Affidavit must be provided along with the Homestead Property Tax Credit (MI-1040CR).
3. In accordance with PA 390 of 1994, the applicant must meet the “Asset Guidelines” adopted by the Greenwood Township Board (attached).
4. The applicant must meet the Federal Poverty Income Guidelines (attached).

Failure to meet the requirements or submission of an incomplete application will result in a denial of the poverty exemption.

Asset Guidelines

Used in the Determination of Poverty Exemptions for 2022

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 purpose of an asset test is to determine the resources available (cash and fixed assets and property that could be converted to cash) that could be used to pay property taxes in the year the poverty exemption is filed.

The following asset test shall apply to all applications for poverty exemption:

- Applicant Asset Calculations may **not exceed \$40,000.00** per household.
- Applicants Asset Calculations that are Equal to or Less than \$40,000 per household may qualify for an exemption of 25%.
- Applicants Asset Calculations that are Equal to or Less than \$20,000 per household may qualify for an exemption of 50%.
- Applicants Asset Calculations that are Equal to or Less than \$10,000 per household may qualify for an exemption of 100%.

***The calculated Asset reduction % must also be considered with the calculated Income reduction%; The Lesser percentage of the two, shall determine the % reduction.
(Example: If an applicant's asset calculation indicates a 50% Reduction; and the Income calculation supports a 100% reduction, the applicant only qualifies for a 50% reduction.***

All asset information, as requested in the Application for Poverty Exemption, must be completed in total. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may deny an application if the assets are not properly identified. Cash and other assets may include but are not limited to:

- Bank accounts
- Stocks and bonds, pensions, IRAs and other investment accounts
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Money received from the sale of property such as stocks, bonds, a house or a car unless a person is in the specific business of selling such property
- Second home, rental property, or building/property other than the residence
- Excess or vacant land
- Extraordinary automobiles
- Jewelry, antiques, or artworks
- Recreational vehicles*
- Equipment or other personal property of value
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms

* *Recreational vehicles may include snowmobiles, boats, camping trailers, travel trailers, motor homes, jet skis, motorcycles, off road vehicles, or anything which may be considered a recreational vehicle.*

Income Guidelines Used in the Determination of Poverty Exemptions for 2022

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemptions and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than \$21,960 which is the amount shown on the following chart for a family of 3 persons.

Below are the federal poverty guidelines updated annually in the federal register by the US Department of Health and Human Services which were adopted in 2021. The Greenwood Township Board will follow these guidelines for establishing 2022 poverty exemptions:

Size of Family Unit	Poverty Guidelines
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660
For each additional person	\$4,540

The income guidelines shall include, but are not limited to, the annual income for the person claiming the exemption and all persons living in the principal residence.

Income includes:

- Money, wages, salaries before deductions, and regular contributions from persons not living in the residence
- Net receipts from non-farm and farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, and supplemental security income (SSI)
- Alimony, child support, military family allotments
- Private and governmental retirement and disability pensions, regular insurance, annuity payments
- College or university scholarships, grants, fellowships, and assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

Meeting the income levels of the Township policy does NOT guarantee the approval of a poverty exemption. Income and assets are reviewed by the Board of Review in the decision making process.

Reduction Calculation

Public Act 253 of 2020 amended MCL 211.7u related to poverty exemptions. PA 253 of 2020 lists the specific percentage reductions in taxable value that may be used by the Board of Review in granting a poverty exemption.

MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption, in whole or in part, as follows:

- 1) a full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
- 2) a partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
- 3) a partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

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.

The following depicts the taxable value reduction granted to the eligible applicant for 2022 poverty exemptions:

Household Size	Income (federal limit)	100% Taxable Value exemption	50% Taxable Value exemption	25% Taxable Value exemption
1	\$12,880	\$0 to \$6,440	\$6,441 to \$9,659	\$9,660 to \$12,880
2	\$17,420	\$0 to \$8,710	\$8,711 to \$13,064	\$13,065 to \$17,420
3	\$21,960	\$0 to \$10,980	\$10,981 to \$16,469	\$16,470 to \$21,960
4	\$26,500	\$0 to \$13,250	\$13,251 to \$19,874	\$19,875 to \$26,500
5	\$31,040	\$0 to \$15,520	\$15,521 to \$23,279	\$23,280 to \$31,040
6	\$35,580	\$0 to \$17,790	\$17,791 to \$26,684	\$26,685 to \$35,580
7	\$40,120	\$0 to \$20,060	\$20,061 to \$30,089	\$30,090 to \$40,120
8	\$44,660	\$0 to \$22,330	\$22,331 to \$33,494	\$33,495 to \$44,660

*additional \$4,540
person*

Income greater than what is stated above, per household size, will result in a denial of the poverty exemption.

APPLICANT CERTIFICATION

Please initial EACH applicable statement:

_____ I/We declare that the statements made herein are complete, true and correct to the best of my/our knowledge. Any willful misstatements or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

_____ I/We also understand that this application will be DENIED if the information contained within is found to be false or incomplete.

_____ I/We understand that if any information contained herein is found to be false or incomplete, any and all relief granted by this application will be forfeited and placed back on the assessment roll with penalties and interest occurring on the additional tax liability in accordance with Section 211.119 of the Michigan Compiled Laws.

_____ I/We understand this application for exemption is ONLY for the tax year of 2022.

_____ I/We have received a copy of and understand the 2022 Poverty Exemption Policy and Guidelines.

_____ I/We certify that I/We DID file a State or Federal Income Tax Return (1040 or MI-1040) and Michigan Homestead Property Tax Credit (MI-1040CR) for the tax year 2021 and included a copy with this application OR completed and included the Poverty Exemption Affidavit.

_____ I/We hereby authorize the Greenwood Township Assessing Department to verify and or obtain information from any creditor, financial institution, government agency, insurance company or any other organization necessary for the purpose of this application of Poverty Exemption for the tax year of 2022.

Applicant Signature: _____ Date: _____

Spouse Signature: _____ Date: _____

Name of Preparer if other than applicant: _____
(Please Print)

WAIVER OF CONFIDENTIALITY

Parcel ID Number: _____

Property Address: _____

I (we), _____, hereby consent to the examination of all submitted documents as well as the tax returns and any other related financial documents required to determine eligibility for tax relief, including but not limited to all those listed below:

- Federal Income Tax Returns
- Michigan Income Tax Returns
- Principal Residence Exemption Form
- Social Security Administration Statements

by the Greenwood Township Assessing Department staff, their designated agent, the members of the Greenwood Township Board of Review, and the State of Michigan Tax Tribunal authority. I further consent to any discussion of the information contained in this application at a duly convened public meeting of the Greenwood Township Board of Review.

By signing this Waiver of Confidentiality, I understand and acknowledge that I am forever giving up any and all possible claims that I may have related to the disclosure of information contained in said tax returns and related documents, for which claims may arise pursuant to Internal Revenue Code Section 6103, and/or any other federal, state, or local statute or regulation.

I certify that I have read and understand the contents of this document in its entirety and have signed it of my own free will.

Print Name

Print Name

Signature

Signature

Date

Date

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

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

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		
<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

CHECK LIST
2022 POVERTY EXEMPTION ATTACHMENTS

(Please submit copies only – not originals)

THIS COMPLETED CHECK LIST MUST BE RETURNED
WITH THE POVERTY EXEMPTION APPLICATION

Note: Provide copies of the following as proof for **all occupants living in the home** even if not contributing to household income or expenses.

- _____ Timely filed and fully complete and signed Poverty Exemption Application.
- _____ Copies of 2021 Federal Income Tax Return (or completed Poverty Exemption Affidavit if not required to file income tax returns)
- _____ Copies of 2021 Michigan Income Tax Return (or completed Poverty Exemption Affidavit if not required to file income tax returns)
- _____ Copy of 2021 Michigan Homestead Property Tax Credit Claim (MI-1040CR)
- _____ Copies of 2021 W-2 Forms, Social Security Statements (SSA-1099), Disability Statement or similar income verification for all household members
- _____ Copies of statements from additional income sources including unemployment, alimony, child support, ADC, Food Stamps, etc.
- _____ Copies of statements for checking account, savings account, certificate of deposit (CD's), stocks, bonds, pension (IRA, 401, etc.) account or any other asset/retirement account
- _____ Copies of valid State of Michigan Driver License or similar form of identification for all members of the household
- _____ Copy of 2021 mortgage/equity loan payment verification showing the current loan balance and principal and interest payment amounts. If mortgage/equity loan was obtained in the last two (2) years, a copy of the mortgage application is required
- _____ Copies of State of Michigan Registration for all vehicles in the household
- _____ Copy of proof of property ownership (Deed, Land Contract, etc.)
- _____ Completed Applicant Certification form
- _____ Completed Waiver of Confidentiality form