

REPUBLIC TOWNSHIP
POVERTY EXEMPTION POLICY

The following policy and guidelines, adopted by the Republic Township Board on February 24, 2022, shall be followed by the Republic Township Board of Review when considering Poverty Exemption Applications according to the General Property Tax Act, MCL 211.7u.

Filing Requirements

In order to be considered for a poverty exemption, a taxpayer must annually file a completed application form and provide all required additional documentation, with the Supervisor, Assessor, or the Board of Review.

The application form must be submitted on or after January 1 but prior to the December Board of Review during the year in which the exemption is requested. The applicant should contact the Township to ensure an application is received in time to be heard by a Board of Review.

In order to be considered for the poverty exemption, a taxpayer must do all of the following:

1. Own and occupy the principal residence.
2. File Michigan Department of Treasury Form 5739 – Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty.
3. File Michigan Department of Treasury Form 5737 – Application for MCL 211.7u Poverty Exemption
4. Provide federal and state income tax returns for the current or immediately preceding year, including any property tax credits, **for all persons residing in the principal residence** (disclosure of the income of an owner who is not residing in the principal residence is not required). An alternative affidavit may be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current or immediately preceding year. (See Form 4988, Poverty Exemption Affidavit).
5. Produce a valid driver's license, or other form of identification, if requested by the Supervisor, Assessor or Board of Review.
6. Produce a deed, land contract, or other evidence of ownership of the property, if requested by the Supervisor, Assessor or Board of Review.

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Eligibility Requirements

1. Applicants must meet the Filing Requirements listed above.
2. Applicants must meet the federal poverty income guidelines published in the prior calendar year in the Federal Register by the U.S. Department of Health and Human Services **(current guidelines available)**.

According to the U.S Census Bureau, “income” includes, but is not limited to:

- Money, wages, salaries before deductions, regular contributions from persons not living in the residence
 - Net receipts from non-farm or 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, 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, assistantships
 - Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings
3. Applicants must provide a list of all assets and meet the asset level test adopted by the Republic Township Board **(current asset level test attached)**. The asset level test does not include the value of the principal residence or the value of one primary vehicle.

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Board of Review Evaluation

The Republic Township Board of Review must review, consider and approve or deny all applications for poverty exemption utilizing the Poverty Exemption Policy adopted by the Republic Township Board. Only full or the following partial poverty exemptions may be granted. To receive a full exemption equal to a 100% reduction in taxable value the applicant must meet the federal poverty income guidelines. To receive a partial poverty exemption equal to a 50% reduction in taxable value the applicant must meet 110% of the federal poverty income guidelines. To receive a partial poverty exemption equal to a 25% reduction in taxable value an applicant must meet 120% of the federal poverty income guidelines **(current guidelines available)**.

An application for poverty exemption, for a specific principal residence, may only be acted upon by the Board of Review once a year. If an application is denied at the March Board of Review, it may not be reheard by the July or December Board of Review during the same calendar year.

Appeal Rights

An appeal of a decision of the March Board of Review is made by completing and submitting a petition to the Michigan Tax Tribunal no later than July 31 of the same year. A decision of the July or December Board of Review is made by completing and submitting a petition to the Michigan Tax Tribunal within 35 days of the July or December Board of Review's decision. Appeals must be made to the Michigan Tax Tribunal.

Republic Township Asset Level Test

The Republic Township Poverty Exemption Policy requires an applicant to provide to the Board of Review a list of all assets, along with the value of said assets, owned by the applicant. These assets will be considered to determine the resources available to be used to pay property taxes in the year the exemption is applied for.

Following is a list of assets that must be included:

- A second home or camp
- Additional land
- Vehicles
- Equipment or other personal property of value, including recreational vehicles (campers, motor homes, boats, ATV's etc.)
- Buildings other than the residence
- Jewelry, antiques, artworks
- Equipment, other personal property of value
- Stocks
- Money received from the sale of property, such as, stocks, bonds, a house or car (unless a person is in the specific business of selling such property)
- Withdrawals of bank deposits 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.
- Bank account(s) amounts over \$500.

With all of the above considered, Republic Township hereby determines that the asset test shall not exceed a value of **\$1,000.00.**