

Greenwood Township

Poverty Exemption Policy & Guidelines

Resolution # 2025-2-4

The following Poverty Exemption Policy & Guidelines were adopted for use by the Greenwood Township Board on February 4-2025. The Greenwood Township Board of Review (BOR) will follow the policies and guidelines set forth when considering poverty exemption applications, in accordance with the General Property Act (PA) 390 of 1994, Section 211.7u, as amended, of the Michigan Compiled Laws (MCL). At no time shall these guidelines contradict PA 390, Section 211.7u.

Poverty Exemptions provide hardship relief from property taxes, in part or entirely, for qualified township residents claiming a 100% principal residence exemption in Greenwood Township.

Greenwood Township shall retain authority under PA 390 of 1994 and as further amended by PA 620 of 2002, to review, update and change these guidelines as is necessary and shall adopt and use the prior year Federal Poverty Income guidelines as a basis for determining applicant and household income eligibility.

The application, processing, evaluation, and decision-making procedures shall be transparent and readily available to the public in hard copy at the township hall and on the township website.

Application:

Applying to the Board of Review is a transparent process and applicants shall not expect privacy. All information and evidence presented to and discussed by the BOR is subject to the Freedom of Information Act (FOIA).

To be eligible for a poverty exemption in Greenwood Township, applicants must apply annually in the same tax year the exemption is being sought, and applicants will be required to submit the following documentation and forms to the Greenwood Township Board of Review:

1. Michigan Department of Treasury's forms, currently
 - 5737 Application for MCL 211.7u Poverty Exemption; and
 - 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty.
2. Provide a copy of valid identification (e.g., driver license or other official form of identification);
3. Provide proof that the primary applicant (not a trust, business, or corporation) owns and occupies the property as their principal residence or qualified agricultural property as defined in MCL 211.7dd. (i.e. copy of deed, land contract or other official documentation of ownership)
4. Meets the Principal Residence Exemption [PA 390 of 1994 and State Tax Commission Bulletin No. 5 of 1995] qualification requirements by supplying the previous years' Michigan Homestead Property Tax Credits Form MI 1040 CR, IF filed.
5. Provide copies (do not submit originals. copies will not be returned) of Federal and State of Michigan income tax returns for the current or immediately preceding year in which taxes may be exempted, as the BOR requests, including supporting schedules and any property credits, for all persons residing

in the principal residence of property OR if the applicant/owner and/or occupants did not file Federal or State Tax Returns, submit Michigan Department of Treasury Form 4988, "Poverty Exempt Affidavit" (used by applicants who are not required to file federal and state income tax returns);

6. Submit all forms and all required documentation to the Greenwood Township Supervisor or Assessor on or after January 1st but before the day prior to the last day of the December Board of Review during the year in which the application for exemption is requested.

Processing Application:

Once a completed Poverty Exemption application & required documentation is submitted to the township, the information provided shall be submitted to the BOR for consideration at the next available BOR meeting (BOR meetings are held in March, July, and December). All BOR meetings shall be held in compliance with the Michigan Open Meetings Act (OMA).

Applicants or their designated legal representative(s) shall not be required to appear in person, however the BOR may request an in-person appearance for more specific questions or clarification regarding finances, additional household members, or any other topic directly relevant to the exemption request.

Evaluation Procedure:

All submitted Poverty Exemption applications and supporting documentation shall be verified by the BOR to the best of their ability.

The BOR shall follow the Evaluation Procedures below to either approve, defer, or deny an exemption no later than the last BOR meeting in December of the year when the exemption is being sought. The BOR shall consistently adhere to this policy and these guidelines and shall not deviate from them. The same standards shall apply to all claimants. Greenwood Township may update these guidelines annually.

The BOR shall utilize the standards detailed below in determining applicant's eligibility for the Poverty exemption.

1. **Income Test:** The BOR shall verify the combined total income of applicant's and any household members' utilizing the applicant's provided tax return(s) and current income list(s) along with reviewing the State of Michigan's Form 5737, *Application for MCL 211.7u Poverty Exemption*.

Income considered shall include but not be limited to

- a. money, wages, and salaries before any deductions.
- b. regular contributions from people not living in the residence.
- c. net receipts from non-farm or farm self-employment (e.g., receipts from a person's own business, professional enterprise, or partnership, after business expense deductions).
- d. regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI).
- e. alimony, child support, and military family allotments.

- f. private and government employee retirement and disability pensions payments.
- g. regular insurance or annuity payment(s).
- h. college or university scholarships, grants, assistantships, or fellowships.
- i. dividends and interest, net income from royalties, rentals, estates, trusts, lottery, or gambling winnings (periodic or not).
- j. proceeds of sale, dividends or withdrawals from stock, bonds, IRA's, mutual funds.
- k. distributions from partnerships, limited liability companies or corporations (whether taxable or not.)

Income that shall be excluded but not limited to

- a. withdrawals of bank deposits.
- b. borrowed money.
- c. income tax refunds.
- d. one-time payouts from insurance companies.
- e. losses, such as capital losses or business losses.
- f. gifts or inheritances, unless the purpose of such as determined by the BOR is to assist in the support of the applicant or members of the household; and/or
- g. the Michigan Homestead Property Tax Credit.

QUALIFYING INCOME AND EXEMPTION % THRESHOLD ELIGIBILITY

*Considering all income sources of each applicant and each member of the applicant's household, using the prior tax year's Federal Poverty Income thresholds, the following income threshold and eligible exemption percentages shall be used:

*Federal Poverty Guideline

Income not exceeding:	% Exemption Eligibility
175%	25%
150%	50%
125%	75%
100%	100%

2. **Asset Test:** If the applicant and all household members combined total income levels meet requirements of the income test, all applicants must further qualify based on the combined value of their listed to-date assets. The applicant(s) must list all assets, separately from filling out Form 5737. The BOR shall then evaluate the list. The purpose of the asset test is to determine the resources available (e.g., cash accounts, cash equivalents) and/or fixed assets (i.e., objects of value or other property) which could be used in lieu of income or converted to pay property taxes in the year the poverty exemption is filed. These guidelines state a maximum total dollar amount; the combined value of all assets cannot exceed that total dollar amount.

A. For purposes of BOR evaluation, the assets listed should not include essentials for living for applicants and household members, more specifically:

- the value of the principal residence, along with any contiguous residential land.

- all personal property essentials such as furniture, appliances located therein; and
- any claim to tribal lands.
- a primary vehicle for basic transportation, necessary for earning a living, and/or specifically outfitted to accommodate a disability.
- a computer and/or other electronics
- banked cash or cash equivalent not to exceed \$1400 for the applicant, up to \$900 for each of the additional occupants, and not to exceed \$5,000 for the entire household (*).
- any tools, structures, equipment, and appropriate vehicle(s) used in current or pursuit of gainful or expanded employment.
- federal or state non-cash benefits programs and certain tax credits (e.g., Medicare, Medicaid, Meals on Wheels, Elder Prescription Insurance Coverage, Home Heating Credits, food stamps and school breakfast and lunches programs.)

B. For the purposes of BOR evaluation, assets that shall be listed, but are not limited to, shall include all revenue, all non-revenue producing assets, and any salable property possibly converted to cash.

Examples are:

- a) any cash, coinage, and bank accounts above considered amount (*).
- b) stock, bonds, IRA's, life insurance, mutual funds.
- c) money received from the sale of property (e.g., a house, car, or equipment)
- d) motorized vehicles (e.g., non-essential autos and trucks, recreational boats, ATV's, RV's, snowmobiles, motorcycles).
- e) non-motorized vehicles and objects (e.g., recreational boats, campers, trailers).
- f) miscellaneous equipment, apparatus, or valuable personal property.
- g) electronics not associated with modern necessary computer usage (e.g., T. Vs, gaming)
- h) jewelry, antiques, artwork, and other valuable items.
- i) non-contiguous land parcel, a second home or other buildings/structures
- j) specialized collections (e.g., coin, vehicle, stamp).
- k) gifts, loans, lump-sum inheritances, and one-time insurance payments.
- l) vehicle, food or housing or other commodities received in lieu of wages.
- m) the value of food and fuel produced and consumed on farms.

To qualify for any portion of a poverty exemption, in addition to a qualified income level, the total value of all additional assets (amount of cash, fixed assets or other property) that could be used or converted to cash for use in payment of property taxes shall not exceed \$6000 for the claimant for the owner(s) and \$1500 for every additional household member, not to exceed a total of \$12,500 per household.

Decisions:

The Greenwood Board of Review has jurisdiction over the granting of property tax relief due to financial hardship. The BOR shall not deviate from the policies and procedures set forth within and shall provide tax relief to any resident that meets the specified poverty exemption qualifications.

All BOR decisions shall be fact based and shall apply to the current tax year only as follows:

SHALL BE GRANTED if the applicant and any/all household members meet all the following criteria.

- a. Do not have income exceeding the thresholds of total income to eligibility % set forth within
- b. Do not have assets that exceed the asset test limitation set forth within
- c. Do not receive or can reasonably expect to receive contributions towards tax payments through any other sources

SHALL BE DENIED if the applicant and/or any/all household members have the following:

- a. combined income and assets that exceed the limitations set forth within
- b. submitted information believed to be misleading, fraudulent, missing, or incomplete

A poverty exemption decision MAY BE DEFERRED and/or possibly DENIED if the BOR determines there is incomplete or insufficient documentation, but a determination shall be rendered no later than the current year December Board of Review meeting.

The township shall notify the applicant in writing by U.S. Mail regarding the BOR's decision, including a detailed explanation, within 14 days of the BOR's determination.

Appeals:

The taxpayer must file an appeal directly with the Michigan Tax Tribunal; appeals must be filed within 35 days of the date of denial.

A person who files a claim for a poverty exemption is not prohibited from also appealing the assessment on the same property in the same year.

A copy of the BOR decision must be included with the filing of an appeal.

Appeals can be filed on-line at <http://www.michigan.gov/taxtribunal>

or may be submitted via US mail addressed to:

Michigan Tax tribunal
PO Box 30232
Lansing MI 48909

For more information on how to file an appeal visit the Michigan Tax Tribunal web site

<http://www.michigan.gov/taxtribunal> or contact them directly.

Phone: 517-373-3003

Email: taxtrib@michigan.gov