

2020 Policy Guidelines for Applicants Requesting Poverty Exemptions as of December 31, 2019

MCL 211.7u provides for a property tax exemption, in whole or part, for the principal residence of persons who, by reason of poverty, are unable to contribute to the public charges. Principal residence is defined in MCL 211.7dd as a principal residence or qualified agricultural property. MCL 211.7u ... states that this section does not apply to property of a corporation. Even if a corporation or limited liability company meets the definition of a principal residence. The City of Brighton has established the following procedures for the uniform determination and application of poverty exemptions to be administered by the City of Brighton Board of Review.

All applicants of homesteaded property must annually obtain and submit a complete and accurate Poverty Exemption Application. The application and all required documents, or statements, must be given to the City Assessor's Office. Once the application is complete and you have obtained the supporting documents, please call the office at (810) 227-9006 and make an appointment to come in and go over your application. This appointment should take, no longer than, 30 minutes. Handicapped or informed applicants may call the Assessor's Office to make necessary arrangements for a home visit. The application, with all requested documents, and interview must be completed by:

March 13, 2020

for action by the March Board of Review or

July 17, 2020

for action by the July Board of Review or

December 11, 2020

for action by the December Board of Review

- 1) Applicants and owners must be an owner of and occupy as a principal residence the property, for which an exemption is being requested.
- 2) Applicants and owners must produce a valid driver's license or other acceptable method of identification.
- 3) Applicants and owners must produce a deed, land contract or other evidence of ownership upon request.
- 4) Applicants and owners **must NOT sign until the application is returned**. The City of Brighton office staff must notarize the application.
- 5) Applicants and owners must meet the federal poverty guidelines updated annually in the federal register by the United States department of health and human services.
- 6) The applicants and owners for this exemption shall file an application after January 1 but before the day prior to the last day of the Board of Review in December.
- 7) This application must be accompanied by Federal and State income tax returns for all persons residing in the principal residence and owners of the property, including any property tax credit returns, filed in the immediately preceding year or in the current year. 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 year in which the exemption is being applied for. An affidavit in a form prescribed by the State Tax Commission may be accepted in place of the Federal or State income tax return. This form is form number 4988 of the Michigan Department of Treasury, Poverty Exemption Affidavit.
- 8) Applicants and owners must submit all statements of income (W-2s, 1099s)
- 9) Applicants and owners must provide information and documents pertaining to Federal non-cash benefit programs including but not limited to: Medicare, Medicaid, food stamps, school lunches, college or university scholarships, grants, fellowships, assistantships.
- 10) Provide any and all documentation supporting your income and expenses to support the information supplied on the application. This is not inclusive and the Board of Review may request additional information or documentation.
- 11) The amount of the poverty exemption will be calculated using the total income and expense numbers provided by the applicant.
- 12) Applicants and owners must meet the asset level test adopted by the City of Brighton.

2020 Guidelines for Applicants Requesting Poverty Exemptions (cont.)

The Board of Review may review applications without the applicant being present, however, the applicant may attend the meeting if they wish to answer any questions the Board may have. The applicant may be asked to answer questions regarding their financial affairs, health, status of the people living in the home, etc. by the Board at the Board of Review meeting, which is open to and may be attended by the public. Under the Freedom of Information Act, all records submitted to the Board of Review are public record potentially subject to disclosure to the public.

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.

"**ASSETS**" includes, but is not limited to: A second home, land, vehicles. Recreational vehicles such as campers, motor-homes, boats, and ATV's. Buildings other than the residence. Jewelry, antiques, artwork. Equipment, other personal property of value. Bank accounts, stocks. Money received from the sale of property, such as stocks, bonds, a house or car. Withdrawals from bank deposits and borrowed money (including reverse mortgage's). 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. This does not include the value of the principal residence. This also does not include the homestead property tax credit as it is not to be considered income for poverty exemptions purposes.

The City of Brighton's **maximum cumulative value of assets** allowed for a Poverty Exemption shall be \$20,000. The purpose of an asset test is to determine the resources available: cash, fixed assets, or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed.

Applicants and owners will be sent a written notice of the Board's final decision. An applicant may appeal the Board's decision to the Michigan Tax Tribunal. Appeals of the March Board of Review decisions must be filed with the Michigan Tax Tribunal by July 31, of the current year. Appeals of the July or December Board of Review decisions must be filed within 35 days of notification of the Board's decision. "Effective March 1, 2013, the Tribunal is no longer able to accept Small Claims letter appeals. Rather, you are required to file a petition to initiate a new Small Claims appeal. Petition forms are available on this website; <http://www.michigan.gov/taxtrib>". For more information on how to appeal to the Michigan Tax Tribunal consult their website at, www.michigan.gov/taxtrib.

2020

Poverty Income Guidelines

Size of Family Unit		Federal Poverty Guidelines
1 person		\$12,490
2 persons		\$16,910
3 persons		\$21,330
4 persons		\$25,750
5 persons		\$30,170
6 persons		\$34,590
7 persons		\$39,010
8 persons		\$43,430
For each additional person, add		\$4,420

Asset Test

The City of Brighton's **maximum cumulative value of assets** allowed for a Poverty Exemption shall be \$20,000. The purpose of an asset test is to determine the resources available: cash, fixed assets or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed . A list of "assets" includes, but is not limited to: A second home, land, vehicles. Recreational vehicles such as campers, motor-homes, boats, and ATV's. Buildings other than the residence. Jewelry, antiques, artwork. Equipment, other personal property of value. Bank accounts, 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 from bank deposits and borrowed money (including reverse mortgage's). 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. This does not include the value of the principal residence. Does not include the homestead property tax credit as it is not to be considered income for poverty exemptions purposes. Assets exemption from consideration are the homesteaded property w/furnishings and one motor vehicle. That motor vehicle shall be valued no greater than \$20,000.

2020 APPLICATION FOR ONE YEAR HARDSHIP REDUCTION

Parcel #: 4718- _____

I, _____, **Petitioner, being the owner and residing at the property that is listed below as my principal residence, apply for poverty 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 211.78u(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 the required documentation as listed within the Guidelines for Applicants Requesting Poverty Exemptions (page 1 & 2 of this application) & Asset Test. Please write legibly and attach additional pages as necessary.

- 1) Applicants and owners must be an owner of and occupy as a principal residence the property for which an exemption is being requested. Per MCL 211.7u ... a poverty exemption may not be granted to property owned by a corporation.
- 2) Applicants and owners must produce a valid driver's license or other acceptable method of identification.
- 3) Applicants and owners must produce a deed, land contract or other evidence of ownership upon request.
- 4) Applicants and owners **must NOT sign until the application is returned**. The City of Brighton office staff must notarize the application.
- 5) Applicants and owners must meet the Federal poverty guidelines updated annually in the Federal register by the United States Department of Health and Human Services.
- 6) The applicants and owners for this exemption shall file an application after January 1 but before the day prior to the last day of the Board of Review in December.
- 7) This application must be accompanied by Federal and State income tax returns for all persons residing in the principal residence and owners of the property, including any property tax credit returns, filed in the immediately preceding year or in the current year. 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 year in which the exemption is being applied for. An affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return. This form is form number 4988 of the Michigan Department of Treasury, Poverty Exemption Affidavit.
- 8) Applicants and owners must submit all statements of Income (W-2s, 1099s)
- 9) Applicants and owners must provide information and documents pertaining to federal non-cash benefit programs including but not limited to: Medicare, Medicaid, food stamps, school lunches, college or university scholarships, grants, fellowships, assistantships.
- 10) Provide any and all documentation supporting your income and expenses to support the information supplied on the application. This is not inclusive and the Board of Review may request additional information or documentation.
- 11) The amount of the poverty exemption will be calculated using the total income and expense numbers provided by the applicant.
- 12) Applicants and owners must meet the asset level test adopted by the City of Brighton.

YOUR APPLICATION WILL NOT BE CONSIDERED WITHOUT ALL OF THIS INFORMATION

Parcel #: 4718- _____

PERSONAL DATA

Name: _____ Are you 65 or Older? Yes _____ No _____
 Address: _____ Phone #: _____
 Social Security #: _____ Are you Disabled? Yes _____ No _____
 Nature of Disability: _____ # of Dependents: _____
 Age: _____ Ages of Dependents: _____

List all occupants of the home and their relationship:

NAME	AGE	RELATIONSHIP
_____	_____	_____

PROPERTY INFORMATION

Year property was purchased: _____ Purchase Price: _____
 Do you own the property free and clear? Yes _____ No _____ What is your monthly payment? _____
 Are there additional owners of the property other than yourself? Yes _____ No _____
 Are the taxes included in your payment? Yes _____ No _____
 Are the taxes current? Yes _____ No _____ Amount past due: _____
 Do you own other real estate? No _____ Yes _____ Please list below the location, value and type:

LOCATION OF OTHER REAL ESTATE	VALUE	TYPE
_____	_____	_____
_____	_____	_____
_____	_____	_____

Attach additional pages if necessary

EMPLOYMENT STATUS

Are you, your spouse, or other members of the household employed? _____
 SELF: Yes _____ No _____ Employer Name & Address: _____
 Employer Name & Address: _____
 SPOUSE: Yes _____ No _____ Employer Name & Address: _____
 Employer Name & Address: _____

OTHER MEMBERS IN HOUSEHOLD: Yes _____ No _____

Name: _____ Employer Name & Address: _____
 Name: _____ Employer Name & Address: _____
 Name: _____ Employer Name & Address: _____
 Name: _____ Employer Name & Address: _____

OTHER OWNERS OF THE PROPERTY: Yes _____ No _____

Name: _____ Employer Name & Address: _____
 Name: _____ Employer Name & Address: _____
 Name: _____ Employer Name & Address: _____
 Name: _____ Employer Name & Address: _____

Parcel #: 4718-_____

TOTAL ESTIMATED HOUSEHOLD AND OWNER INCOME DECLARATION

(You must provide any and all documentation for applicant and owners)

SOURCE	MONTHLY AMOUNT	ANNUAL AMOUNT
Wages / Salaries / Tips	_____	X 12 MOS = _____
Social Security / SSI	_____	X 12 MOS = _____
Pension or Retirement	_____	X 12 MOS = _____
Interest and/or Dividends	_____	X 12 MOS = _____
Rental Income	_____	X 12 MOS = _____
Business or Royalty Income	_____	X 12 MOS = _____
Disability/Workman's Comp	_____	X 12 MOS = _____
General Assistance / ADC/FIA	_____	X 12 MOS = _____
General Assistance / Food stamps	_____	X 12 MOS = _____
Child Support received	_____	X 12 MOS = _____
Alimony received	_____	X 12 MOS = _____
Federal non-cash benefits	_____	X 12 MOS = _____
Unemployment Benefits	_____	X 12 MOS = _____
Other Income from Family	_____	X 12 MOS = _____
Income from Land Contracts, etc.	_____	X 12 MOS = _____
Reverse Mortgage	_____	X 12 MOS = _____
Any Other Income (Source)	_____	X 12 MOS = _____
TOTAL PROJECTED INCOME	_____	X 12 MOS = _____

ASSETS (You must provide any and all documentation)

Do you have a savings account? No ___ Yes ---> Balance: _____ Bank: _____

Do you own any time certificates? No ___ Yes ---> Type: _____ Value: _____

Do you own any stocks or bonds? No ___ Yes ---> Type: _____ Value: _____

Do you have a reverse mortgage? No ___ Yes ---> Type: _____ Value: _____

Do you own any other assets? (see page 2) No ___ Yes ---> Please list below(attach additional pages if necessary)

- Type: _____ Value: _____

Parcel #: 4718- _____

EXPENSE INFORMATION

(You must provide any and all documentation for all owners)

	<u>Monthly</u>	<u>Yearly</u>
House Pmt. (Prin. & Interest)	_____	X 12 MOS = _____
Life Insurance	_____	X 12 MOS = _____
Health Insurance	_____	X 12 MOS = _____
Homeowners Insurance	_____	X 12 MOS = _____
Condominium Dues	_____	X 12 MOS = _____
Auto Insurance	_____	X 12 MOS = _____
Child Care	_____	X 12 MOS = _____
Food & Personal Items	_____	X 12 MOS = _____
Utilities: Electric	_____	X 12 MOS = _____
Gas/Oil/Heat	_____	X 12 MOS = _____
Telephone	_____	X 12 MOS = _____
Water	_____	X 12 MOS = _____
Medical Bills (After Insurance)	_____	X 12 MOS = _____
Other Liabilities (Specify)	_____	X 12 MOS = _____
Car Payment #1	_____	Year, Make & Model _____
Car Payment #2	_____	Year, Make & Model _____
Credit Card Debt	_____	Balance _____
	_____	Balance _____
	_____	Balance _____
Total Monthly Expenses	_____	_____

Do you have any unusual expenses? (You must provide any and all documentation)

NO _____ YES-----> Please describe below:

Is there any other information you feel the Board of Review should consider?

(You must provide any and all documentation)

Parcel #: 4718- _____

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.

PETITIONERS: DO NOT SIGN THIS APPLICATION UNTIL WITNESSED BY THE ASSESSOR, BOARD OF REVIEW, OR NOTARY PUBLIC. (Must be signed in the presence of a City of Brighton notary public)

I/WE DECLARE THAT I/WE ARE UNABLE TO PAY THE FULL PROPERTY TAX LEVY ON THE ABOVE DESCRIBED PARCEL AND HEREBY PROVIDE A COMPLETED APPLICATION FOR PROPERTY TAX RELIEF DUE TO HARDSHIP IN ACCORDANCE WITH SECTION 211.7u OF MCL. I/WE DECLARE THAT THE STATEMENTS MADE HEREIN ARE COMPLETE, TRUE AND CORRECT. I/WE FURTHER 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, AND IS ALSO PUNISHABLE BY PENALTY OF PERJURY.

Applicant: _____ Date: _____

Applicant: _____ Date: _____

Owner: _____ Date: _____

Owner: _____ Date: _____

Subscribed and sworn to before me on this _____ day of _____

_____, Notary Public, Livingston County, State of Michigan.

My Commission Expires: _____

POVERTY EXEMPTION WORKSHEET

TAX YEAR: 2020

PARCEL NUMBER:		
OWNER(S) NAME:		
PROPERTY ADDRESS:		
GROSS TAXABLE INCOME (for the household):	\$0	(Gross income shall be adjusted with a factor of 0.72. This allows for 28% of employment income to meet tax liability. At the discretion of the BOR, actual tax liability as reflected on the tax returns may be utilized.)
plus NON TAXABLE INCOME(for the household):	\$0	(Social Security, Unemployment Benefits, Welfare & other public assistance benefits, canceled debts, life insurance proceeds, tips, recoveries, survivor Benefits, etc.)
ADJUSTED INCOME:	\$0	(Gross Income plus non taxable income)
less MEDICAL EXPENSES(for the household):	\$0	(Medical expenses are either 100% of actual expenses or 15% of adjusted income.)
less OTHER EXPENSES (for the household):	\$0	(Any unusual & necessary expenses that the BOR determines to be detrimental to the applicant's ability to pay property taxes.)
TOTAL NET INCOME FOR PROPERTY TAX CALC:	\$0	(Total net income for household)

Total Net Income for property tax calc. X 3.5% (.035) or by the percent in Table 3 below \$0 (TAX)

Taxable Liability to be used to determine Taxable Value \$0

$$\frac{\text{Taxable Liability } \$0}{\text{Prior Year Millage Rate } 0.0419054} = \text{2020 Estimated Taxable Value } \$0$$

NOTE: THE MAXIMUM ASSETS ALLOWED FOR A POVERTY EXEMPTION SHALL BE \$20,000. ASSETS EXEMPTED FROM CONSIDERATION ARE THE HOMESTEAD PROPERTY W/FURNISHINGS AND ONE MOTOR VEHICLE. MOTOR VEHICLE SHALL BE VALUED AT NO GREATER THAN \$20,000. FOR MORE DETAIL PLEASE SEE PAGE 3 OF THIS APPLICATION.

Table 3:

Income	% of Income
\$3,000 or less	0%
\$3,001 - \$4,000	1%
\$4,001 - \$5,000	2%
\$5,001 - \$6,000	3%
More than \$6,000	3.5%

Approved: _____
 Denied: _____
 Reason for Denial: _____

ONLY COMPLETE THIS PAGE IF YOU ARE NOT REQUIRED TO FILE A FEDERAL OR STATE INCOME TAX RETURN

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