IONIA TOWNSHIP

GUIDELINES AND ASSET LEVEL FOR POVERTY EXEMPTION

As provided by resolution approved at March 11, 2025 meeting of the Township Board

WHEREAS, the adoption of guidelines and an asset level test for poverty exemptions is required of the Township Board; and

WHEREAS, The Board of Review may grant property tax exemptions (in whole and in part) to the principal residence of persons who, in the judgement the Board of Review, are by reason of poverty unable to contribute toward the public charges. MCL 211.7u(1). AND

WHEREAS, pursuant to PA 390 of 1994 (MCL 211.7u), the Township Board of IONIA TOWNSHIP, Ionia County adopts the following guidelines and asset level test for the Board of Review to follow.

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% or 75% reduction in taxable value OR any other percentage reduction in taxable value approved by the STC**- if the applicant meets the eligibility requirements as outlined.** *Guidance for a partial exemption is given in the attached document provided by the State Tax Commission titled:* ***STATE TAX COMMISSION POLICY REGARDING REQUESTS FOR PERCENTAGE REDUCTIONS IN TAXABLE VALUE FOR POVERTY EXEMPTIONS UNDER MCL 211.7u***

Guidelines & Asset Level for Poverty Exemption.

A property owner shall meet the following eligibility requirements on an annual basis for the exemption to be granted in full or in part by the Board of Review:

1) The applicant must own and occupy the subject property as their "**PRINCIPAL RESIDENCE"** as that term is defined in MCL 211.7dd.
2) Produce a valid driver license or other form of identification - proving residence.
3) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested
3) Fill out completely and file the following affidavits and provide all additional required documentation with the township assessor's office each year after January 1st but before the week prior to the last day of the December Board of Review.
    i) **Poverty Exemption Application- Form 5737** ***Application for MCL 211.7u Poverty Exemption***
    ii) ***Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty*****- Form 5739**
    iii) **Provide Federal/State Income Tax returns for applicant and all persons residing in the principal residence**- Provide copies of federal and state income tax returns for applicant AND all persons residing in the principal residence including any property tax credit returns (homestead property **tax** credits will not be counted as income). **These** income tax returns shall include **those** filed in the current year or in the immediately preceding year.

    ### And/or

    Treasury form 4988 shall be filed with the Poverty Application for all persons residing in the residence who were not required to file federal or state income tax returns **in the** current year **or in** the immediately preceding year.
4) Annual allowable income includes income for **all persons residing in the principal residence** must not exceed the limits set forth in the INCOME or ASSET LEVEL guidelines adopted by the local assessing unit.
    - Allowable income: To meet allowable income eligibility, the applicant's total household gross income (Gross income is the total amount of money earned before taxes and other deductions) must not exceed the Federal Poverty Guidelines published in the prior calendar year by the U.S. Department of Health and Human Services as provided by the State Tax Commission. (example 2025 application uses 2024 Federal Poverty Guidelines figures)

5) Must not exceed the level of household assets known as' The Asset Level Test' determined by the IONIA Township Board

Applicant must meet the 'Asset Level Test' as determined by the IONIA Township Board Resolution #2021-2 and continue to be:

- **Household assets, except the homestead being claimed, essential household goods and the first $5000 of the market value of a motor vehicle, should not exceed:**
  (a) $7000 for claimant;
  (b) $10,000 for the household.

Assets include, but are not limited to real estate other than the principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, and retirement funds. Assets do not include essential household goods such as furniture, appliances, dishes and clothing.0020

The filing of the **Poverty Exemption Application Form 5737** ***Application for MCL 211.7u Poverty Exemption*** constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The application and all required documents shall be filed annually with the Assessor after January 1, but before 1 week prior to the last day of the December Board of Review to allow processing time.

Address of the Assessor:

IONIA TOWNSHIP BOARD OF REVIEW
c/o HEATHER HOFFMAN, ASSESSOR
PO BOX 175
LOWELL, MI 49331

Failure to file all required documents will result in an incomplete application- attempts to contact applicant for correction, will be taken.

The Board of Review shall follow the above stated policy, federal guidelines and asset level test in granting or denying an exemption per Resolution.

FEDERAL POVERTY GUIDELINES 2024

Persons in family/household	*2024 Poverty Guidelines*
1	$15,060
2	$20,440
3	$25,820
4	$31,200
5	$36,580
6	$41,960
7	$47,340
8	$52,720
More than 8 persons:	Add $5,380 for each additional person

STATE TAX COMMISSION POLICY REGARDING REQUESTS FOR PERCENTAGE REDUCTIONS IN TAXABLE VALUE FOR POVERTY EXEMPTIONS UNDER MCL 211.7u

Public Act 253 of 2020 amended MCL 211.7u related to poverty exemptions.

PA 191 of 2023 amended the lists 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 75% reduction in taxable value for the year in which the exemption is granted; or 3. A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or 4. 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 Commission shall use the following process for the filing, review, and approval of local assessing unit requests to utilize a percentage reduction in taxable value when approving poverty exemptions under MCL 211.7u: 1. A local assessing unit that wants to use any other percentage reduction(s) in taxable value other than the reductions specifically authorized in statute must obtain permission for use of such percentage reduction(s) by filing Form 5738, Request For Approval of Percentage Reduction in Taxable Value For Poverty Exemptions Under MCL 211.7u with the State Tax Commission. 2. The local assessing unit must indicate on the Form the specific percentage reduction(s) in taxable value requested and an explanation of how the requested percentage reduction(s) will be calculated and applied when granting a poverty exemption. Based on case law, calculations that utilize any of the following are not permitted: a. A limitation on the maximum value of the principal residence eligible to receive an exemption. b. A requirement that the principal residence must be owned for a certain number of years before a claim for exemption can be made. c. A limitation on the number of years an exemption can be claimed and received. 3. If a person meets all eligibility requirements in statute for receiving a full or partial exemption, the calculation for the percentage reduction in taxable value cannot result in a person receiving no relief, i.e., the calculation cannot result in a taxable value greater than or equal to the taxable value prior to application for the poverty exemption in that tax year. Originally adopted January 19, 2021, Amended December 19, 2023 4. Form 5738 must be completed in its entirety and signed by the local assessing unit clerk and assessing officer. 5. The completed Form and any attachments must be submitted to the State Tax Commission at: State Tax Commission, PO Box 30471, Lansing, MI 48909 or by email to State-Tax-Commission@michigan.gov. 6. Requests will be reviewed by State Tax Commission staff. If insufficient documentation was provided by the local assessing unit, the local assessing unit will be notified in writing and will be permitted to submit adequate documentation to the State Tax Commission within 30 days of the written notice. If adequate documentation is not submitted within the deadline, staff will recommend that the State Tax Commission deny the request. 7. Upon receipt of a completed request, staff will review the proposed percentage reductions(s) in taxable value and explanation of how the reduction(s) will be calculated and applied when granting a poverty exemption. Staff recommendations to approve or deny a local unit request will be forwarded to the State Tax Commission for review and decision. 8. If approved, the local assessing unit will receive written notification within 14 days of the State Tax Commission meeting approving the request. 9. A local assessing unit that wishes to modify any percentage reduction(s) previously approved by the Commission must do so by submitting a new Form 5738 with the requested percentages.

Originally adopted January 19, 2021, Amended December 19, 2023