



February 19, 2021

Reference: Poverty Exemption Policy, Income & Asset Test Worksheet, State Law, Application Form and Documentation Checklist

Dear Property Owner(s)/Claimant(s),

In order to be in compliance with the requirements of MCL 211.7u of the General Property Tax Act, as amended, Laketon Township has reviewed and updated the Poverty Exemption Policy to be used by the Board of Review in the process of reviewing and making a decision on poverty exemption applications beginning with applications for the tax year 2021 and future years.

Attached is a copy of the Michigan Compiled Laws Section 211.7u of the General Property Tax Act, as well as all the forms that may be necessary to file for this exemption as prescribed by the State Tax Commission.

Please review the attached policy, household income and asset test worksheet, documentation checklist and application forms very carefully. If you have questions, please contact Laketon Township. The income and asset test worksheet will be completed by the Board of Review, but is included here for your information only. The application form includes application filing dates/deadlines.

**The Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty (state form 5739) and The Application for MCL 211.7u Poverty Exemption (state form 5737) MUST be completely filled out and returned in person along with all required documentation. Failure to comply with all requirements will result in the Board of Review being unable to act upon this application/claim.**

Please be aware: BY LAW, ALL Board of Review meetings and information discussed are open to the public. Evidence given to the Board of Review or the Assessor is subject to the Freedom of Information Act. Information requested under this Act may be released to the public.

Sincerely,  
Laketon Township Board of Trustees

**Laketon Township**  
**MCL 211.7u Property Tax Poverty Exemption Policy**  
**Approved 02/18/2021**

As per Section 211.7u of the Michigan General Property Tax Act, as amended, defines the poverty exemption as a method to provide relief for those 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."

To be eligible for exemption under this section, the applicant shall, on an annual basis, meet ALL of the following requirements and provide the following information as required by law:

1. Be the owner of and occupy as a principal residence the property for which the exemption is requested, and shall affirm this ownership & occupancy status in writing by filing a form prescribed by the state tax commission with the Laketon Township Assessor.
2. File a claim with the Laketon Township Board of Review on a form prescribed by the State Tax Commission, accompanied by Federal and State income tax returns for ALL persons residing in the home, including any property tax credit returns for the current year or immediately preceding year. If not required to file income tax, an affidavit in a form prescribed by the State Tax Commission may be accepted in place of the Federal and State income tax returns.
3. Produce a valid driver's license or other form of identification.
4. Produce a deed, land contract or other evidence of ownership of the property.
5. Meet Federal Poverty Guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services.

**Income Test:** Total Income may not exceed the federal poverty guidelines adopted annually by the Laketon Township Board of Trustees (see attached), unless the applicant/household can demonstrate and provide documentation of extraordinary circumstances (such as major or unusual out-of-pocket expenses) or there are "substantial and compelling" reasons for the Board of Review to deviate from these guidelines. If the Board of Review determines such circumstances or reasons exist, they shall be communicated in writing to the applicant in their decision on the application.

According to the U. S. Census Bureau, income includes: any money, wages, and salaries before deductions, regular payments from social security, railroad retirement, unemployment, workers' compensation, veteran's payments, public assistance payments, alimony, child support, military family allotments, private pensions, government pensions, regular insurance or annuity payments, college or university scholarships, grants, fellowships, assistantships, dividends, interest, net rental income, net royalties, net receipts from farm or non-farm self employment, periodic receipts from estates or trusts and net gambling or lottery winnings.

**Asset Test:** ALL cash AND non-cash assets of ALL persons living in the household shall be reported. This asset test shall be followed by the Board of Review unless, the applicant/household can demonstrate and provide documentation of extraordinary circumstances (such as major or unusual out-of-pocket expenses) or there are substantial and compelling reasons for the Board of Review to deviate from these guidelines. If the Board of Review determines such circumstances or reasons exist, they shall be communicated in writing to the applicant in their decision on the application.

Assets include, but are not limited to: a second home, a rental home, a vacation home/property, any land owned or being purchased, vehicles, recreational vehicles (campers, travel trailers, motor homes, boats, atv's, snowmobiles etc), jewelry, antiques, artwork, equipment, bank accounts, stocks, money received from the sale of property (stocks, bonds, a house, cars etc), borrowed money, tax refunds, cash gifts or loans, lump-sum inheritances, one time insurance payments, food or housing received in lieu of wages, federal and state non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches, and other personal property of value.

The principal residence for which the exemption is requested and one vehicle per adult whose income contributes to the total household income shall be exempt for consideration when computing total household assets.

- The maximum allowable amount of total household cash assets shall not be more than two (2) times the amount of the estimated property tax obligation based on the current taxable value. (Example: 2020 taxable value is \$40,954, 2020 taxes are estimated to be \$1,334.00 – cash assets may be no more than \$2,668.00)
- The maximum allowable value of all total household non-cash assets shall not be more than five (5) times the amount of the estimated property tax obligation based on the current taxable value. (excluding the principal residence and one vehicle per adult contributing to the household income as noted in this policy) (Example: 2020 taxable value is \$40,954, 2020 taxes are estimated to be \$1334.00.  $\$1334.00 \times 5 = \$6,670.00$  – therefore non-cash assets cannot be valued more than \$6,670.00)

**EXCEPTION:** *A poverty exemption shall not be granted if ANY real estate is owned or co-owned by any adult member of the household (not including the principal residence for which the poverty exemption is being sought). Real estate means a second home/condo, a rental home/condo, a vacation home/condo/property, or any other real land/property.*

6. The Board of Review shall use the Income and Asset Test worksheet to determine if an applicant/household qualifies for property tax relief via a poverty exemption. See attached.
  - a. If the Board of Review determines an applicant/household does not qualify for a poverty exemption, the Board of Review shall deny the application for exemption.
  - b. If the Board of Review determines an applicant/household qualifies for a poverty exemption, the Board of Review shall grant property tax relief on the principal residence listed on the application by reducing the taxable value of the property by a percentage, either 25%, 50% or 100%, based on each household's overall situation and taking into account the total household income, cash assets, non-cash assets, and any extraordinary circumstances or substantial and compelling situations that may exist. Each application is unique and no decision by the Board of Review shall set any type of precedence regarding any other application for a property tax poverty exemption.

# Income & Asset Test Worksheet

Applicant(s) Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

## Section 1: Income

Total Maximum Allowable Annual Income: \_\_\_\_\_ as per the Federal Poverty Guidelines for \_\_\_\_\_ (year) for household size of \_\_\_\_\_.

Total Annual Income from all Sources: \_\_\_\_\_

Is the income below the maximum allowable amount? \_\_\_\_\_,

- If yes, continue on to Section 2: Cash Assets
- If no, are there documented extraordinary circumstances (such as major or unusual out-of-pocket expenses) or there are "substantial and compelling" reasons for the Board of Review to deviate from these guidelines?
  - If yes, please list then continue on to Section 2: Cash Assets:

\_\_\_\_\_

- If no, applicant does not qualify. Go to Section 5 – Exemption Determination

## Section 2: Cash Assets

Calculate Maximum Allowable Cash Assets:

Property Taxable Value x estimated millage rate x 2 = Maximum allowable cash assets

\_\_\_\_\_ x \_\_\_\_\_ x 2 = \_\_\_\_\_

Reported Cash Assets: \_\_\_\_\_

Are the reported cash assets below the maximum allowable amount? \_\_\_\_\_,

- If yes, continue on to Section 3: Non-Cash Assets
- If no, are there documented extraordinary circumstances (such as major or unusual out-of-pocket expenses) or there are "substantial and compelling" reasons for the Board of Review to deviate from these guidelines?
  - If yes, please list then continue on to Section 3: Non-Cash Assets:

\_\_\_\_\_

- If no, applicant does not qualify. Go to Section 5 – Exemption Determination.

## Section 3: Non-Cash Assets

Calculate Maximum Allowable Non-Cash Assets

Property Taxable Value x estimated millage rate x 5 = Maximum allowable non-cash assets

\_\_\_\_\_ x \_\_\_\_\_ x 5 = \_\_\_\_\_

Reported Non-Cash Assets: \_\_\_\_\_ (exclude one vehicle per employed/working adult and the value of the homestead property for which the exemption is being sought)

Are the reported non-cash assets below the maximum allowable amount? \_\_\_\_\_,

- If yes, continue on to Section 4: Real Property/Real Estate
- If no, are there documented extraordinary circumstances (such as major or unusual out-of-pocket expenses) or there are "substantial and compelling" reasons for the Board of Review to deviate from these guidelines?
  - If yes, please list then continue on to Section 4: Real Property/Real Estate:  
\_\_\_\_\_  
\_\_\_\_\_
  - If no, applicant does not qualify. Go to Section 5 – Exemption Determination

**Section 4: Real Property/Real Estate**

Does the applicant or any member of the household own any other real property/real estate other than the homestead for which the exemption is being sought? \_\_\_\_\_

- If yes, the applicant(s) DO NOT QUALIFY.
- If no, the applicant QUALIFIES for an exemption.
- Go to Section 5 – Exemption Determination

**Section 5: Exemption Determination**

Does the Applicant(s) Qualify: \_\_\_\_\_ Exemption Determination: Denied      Approved

- If DENIED, please list the reasons the applicant(s) does not qualify: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- If APPROVED, please list reasons for approval & the percentage of the exemption:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

EXEMPTION PERCENTAGE: \_\_\_\_\_

**Office/Board of Review Use Only:** Signatures of BOR Members and Twp. Supervisor:

\_\_\_\_\_  
BOR Member Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
BOR Member Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
BOR Member Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Twp. Supervisor Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
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.

<b>PART 1: OWNER INFORMATION</b> — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
<b>PART 2: LEGAL DESIGNEE INFORMATION</b> (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
<b>PART 3: HOMESTEAD PROPERTY INFORMATION</b> — 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
<b>PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS</b> (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.			
<b>PART 5: CERTIFICATION</b>			
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
<b>Designee must attach a letter of authority.</b>			
<b>LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)</b>			
<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	
<b>CERTIFICATION</b> — 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	

## 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

## 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.

<b>PART 1: PERSONAL INFORMATION —</b> 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		
<b>PART 2: REAL ESTATE INFORMATION</b>				
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				
<b>PART 3: ADDITIONAL PROPERTY INFORMATION</b>				
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



<b>PART 4: EMPLOYMENT INFORMATION — List your current employment information.</b>					
Name of Employer					
Address of Employer		City	State	ZIP Code	
Contact Person		Employer Telephone Number			
<b>PART 5: INCOME SOURCES</b>					
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)	
<b>PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION</b>					
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	
<b>PART 7: LIFE INSURANCE — List all policies held by all household members.</b>					
Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured
<b>PART 8: MOTOR VEHICLE INFORMATION</b>					
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		

<b>PART 9: HOUSEHOLD OCCUPANTS</b> — List all persons living in the household.				
First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

<b>PART 10: PERSONAL DEBT</b> — List all personal debt for all household members.					
Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

<b>PART 11: MONTHLY EXPENSE INFORMATION</b>			
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**

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.

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.

**PART 12: CERTIFICATION**

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.

Printed Name	Signature	Date
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**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](mailto:taxtrib@michigan.gov)

# APPROVED CHECKLIST

## Laketon Township Property Tax MCL 211.7u Poverty Exemption Application Checklist

Bring this list back with the completed application. Staff will go through your information with you and complete this checklist to verify all required information/documentation is included with your application. **We will block out any account numbers or social security numbers on the above items for your safety when making copies.**

\_\_\_ Affirmation of Ownership/Occupancy (State Form 5739)

\_\_\_ Application for MCL 211.7u Poverty Exemption (State Form 5737)

### **Part 1 & Part 9: Personal Information:**

\_\_\_ Photo Identification for all adults in household, an adult is anyone age 18 or older.

\_\_\_ Birth Certificates, adoption or guardianship paperwork for all children in the household.

### **Part 2: Real Estate Information:**

\_\_\_ Proof of Ownership (Deed, land contract etc) for the property.

### **Part 3: Additional Property Information:**

\_\_\_ Ownership documentation for any additional real property owned or buying

### **Part 4 & 5: Employment Information & Income Sources— for ALL ADULTS in the household:**

\_\_\_ Most recent Federal Income Tax return for year \_\_\_ or have signed Affidavit

\_\_\_ Most recent State Income Tax return for year \_\_\_ or have signed Affidavit

\_\_\_ IF you do not have Federal/State income tax returns – Proof of Income pay stubs, W-2's, 1099's, etc

\_\_\_ Most recent Homestead Property Tax Credit for year \_\_\_

\_\_\_ Most recent Home Heating Credit for year \_\_\_

\_\_\_ Copies of any Federal/State Aid received: Please specify: \_\_\_\_\_

\_\_\_ Copies of any other income sources: Please specify: \_\_\_\_\_

### **Parts 6, 7, & 8: Asset Information:**

\_\_\_ Copies of all financial statements from bank accounts, cd's, mutual funds, etc.

\_\_\_ Copies of any/all Life Insurance Policies

\_\_\_ Motor Vehicle and Recreational Vehicle ownership documentation

\_\_\_ Any Other assets: Please specify: \_\_\_\_\_

# APPROVED CHECKLIST

## Part 10 & 11: Personal Debt & Monthly Expense Information:

\_\_\_\_\_ Copy of most recent mortgage statement (show payment amount & balance due)

\_\_\_\_\_ Copies of most recent loan statements (show minimum payment amount & balance due)

\_\_\_\_\_ Copies of most recent credit card statements for any credit cards with balances owing

Copies of most recent bills: electric bill \_\_\_\_\_ gas bill \_\_\_\_\_ water bill \_\_\_\_\_ sewer bill \_\_\_\_\_

Phone bill \_\_\_\_\_ cable TV \_\_\_\_\_ car/home insurance \_\_\_\_\_ health insurance \_\_\_\_\_ garbage bill \_\_\_\_\_

Other(s): Please specify: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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### Office Use Only:

Checklist completed by: \_\_\_\_\_ On \_\_\_\_\_