

NORTHFIELD TOWNSHIP  
RESOLUTION FOR POVERTY EXEMPTION

RESOLUTION NO 23-669

*WHEREAS*, the adoption of guidelines for poverty exemptions is required of the Township Board; and

*WHEREAS*, the principal residence of persons, who the Supervisor and Board of Review determine by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 253 of 2020 (MCL 211.7u); and

*WHEREAS*, pursuant to PA 253 of 2020, the Township of Northfield, Washtenaw County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

NOW, THEREFORE, IT IS RESOLVED that to be eligible for such poverty exemptions in whole or in part, in the Township of Northfield, a person shall do all the following on an annual basis:

1. Occupy as a principal residence the property for which the poverty exemption is requested.
2. The applicant shall complete and file with The Assessor or Board of Review an Application for Poverty Exemption, accompanied by federal and state income tax returns for ALL persons residing in the principal residence during the current year or immediately preceding year, this shall include form (MI-1040CR) 2022 Homestead Property Tax Credit. In the event 2022 federal and/or state income tax forms were not filed, the applicant must submit all 1099 forms, such as SA-1099 for Social Security, and all W-2 Forms for the preceding year for all occupants of the principal residence. Regardless of income status, 2022 federal 1040 and form MI-1040CR 2022 Homestead Property Tax Credit must be filed for the immediately preceding year or for the current year for the applicant(s) to be considered for a poverty exemption.
3. The Applicant SHALL file with the Board of Review, the Michigan MI-1040CR Homestead Property Tax Credit Claim form filed in the current year or prior year.
4. Annually an applicant must submit a fully completed application and all the required income and income tax forms after January 1 of the tax year in question, **but one day** prior to the last day of the March, July, or December Board of Review.
5. **Applications must be completed in their entirety including all required supplemental documents.**
6. **Applications determined to be incomplete will be returned without consideration by the Board of Review.**

7. Applicants MUST submit a copy of a Valid Driver's License or other photographic identification as allowed by statute when requested.
8. Applicants shall produce a deed, land contract, or other evidence of ownership of the property for which an exemption is applied upon request.

**POVERTY EXEMPTION - ANNUAL INCOME AND ASSET QUALIFICATIONS**

9. To be eligible for exemption the applicant must meet ALL the following income and asset standards:
  - a. Northfield Township has adopted the Federal Poverty Guidelines as published annually by the Michigan State Tax Commission. Household income shall not exceed the Federal Poverty threshold as published annually by the Michigan State Tax Commission.
  - b. The federal poverty income guidelines are updated annually by the United States Department of Health and Human Services. The annual maximum income includes income from all sources and for all persons residing in the principal residence.

Example, the Federal and Northfield Township Poverty Guideline for a single person household is \$13,590 and for varying household size, the Township poverty levels shall be the Federal Poverty levels for the household size. Income levels are shown in the table below.

Poverty Exemption Income limits and asset limits, are in the following TABLE:

<u>Size of Household Unit</u>	<u>Federal Income Guideline</u>	<u>Township Income Guideline</u>	<u>Township Household Asset Limit</u>
1	\$13,590	\$13,590	\$10,000
2	\$18,310	\$18,310	\$12,000
3	\$23,030	\$23,030	\$14,000
4	\$27,750	\$27,750	\$14,000
5	\$32,470	\$32,470	\$14,000
6	\$37,190	\$37,190	\$14,000
7	\$41,910	\$41,910	\$14,000
8	\$46,630	\$46,630	\$14,000
Each Additional Person	\$4,720	\$4,720	N / A

***Household Asset Guidelines.***

10. File a claim reporting that the combined assets of all persons in the household do not exceed the current guidelines listed in the table above.
11. Household assets may NOT exceed \$14,000 excluding the homestead and the first automobile.

12. Asset Test - The maximum allowable value of all household assets shall be based on the household size and shall be equal to the corresponding Township Asset Limit for the household size in the table above. This shall be the maximum asset value allowed for the household.

a. Applying the above asset test, the maximum dollar value of all household assets would be as follows:

TWO PERSON HOUSEHOLD ASSET LIMIT

Federal income limit \$18,310, with a maximum asset value of \$12,000.

Up to a maximum of \$14,000 for a household with three or more household members.

b. The value of the first motor vehicle will be excluded from the asset test. If more than one vehicle is owned the least valuable vehicle will be excluded from the asset test.

c. The term "assets" includes, among others, the following:

Second home or buildings other than the residence for which the poverty exemption is requested including vacant land.

"Excess" or vacant land, not part of the Parcel for which the poverty exemption is requested.

Timeshare holdings.

Household furnishings.

Personal property or Equipment.

Vehicles, Motor vehicles, Recreational vehicles.

Recreational equipment

Bank Deposits, Savings accounts, Checking accounts, Certificates of deposit.

Stocks, E.T.F. Bonds, Life insurance

Retirement funds

Antiques, Coins, Stamps, Artwork

Gifts of any type.

Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches.

Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.

### Poverty Exemption Reduction Calculation

13. Public Act 253 of 2020 amended MCL 211.7u related to poverty exemptions. PA 253 of 2020 lists the 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 50% reduction in taxable value for the year in which the exemption is granted; or
- 3) a partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted. *(For 2023 the 25% Exemption tier is NOT used.)*

14. 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 Michigan State Tax Commission.

The following table depicts the taxable value reduction granted to the eligible applicant for 2023 poverty exemptions:

<u>Household Size</u>	<u>Income (Federal &amp; Twp. limit)</u>	<u>100% Taxable Value exemption</u>		<u>50% Taxable Value exemption</u>	
1	\$13,590	\$0	to	\$9,513	\$9,514 to \$13,590
2	\$18,310	\$0	to	\$12,817	\$12,818 to \$18,310
3	\$23,030	\$0	to	\$16,121	\$16,122 to \$23,030
4	\$27,750	\$0	to	\$19,425	\$19,425 to \$27,750
5	\$32,470	\$0	to	\$22,729	\$22,730 to \$32,470
6	\$37,190	\$0	to	\$26,033	\$26,034 to \$37,190
7	\$41,910	\$0	to	\$29,337	\$29,338 to \$41,910
8	\$46,630	\$0	to	\$32,641	\$32,642 to \$46,630
<i>additional person</i>	<i>\$4,720</i>			<i>\$3,304</i>	<i>\$4,720</i>

**15. Income greater than stated in the table above, per household size, will result in a denial of the poverty exemption.**

***Deviation from These Poverty Guidelines***

16. The Board of Review shall not deviate from these policies and guidelines when granting or denying an exemption from property tax by reason of poverty.


Revised for the 2023 Assessment and Tax year on January 06, 2023.

Proposed by Thomas D. Monchak, Northfield Township Assessor.

AYES: Muchow, Seville, Otto, Dignan, Manley, Chick, Smith

NAYS: None

DULY RESOLVED AND ORDAINED THIS 24<sup>th</sup> DAY OF JANUARY 2023

  
Kenneth Dignan III, Township Supervisor

ATTEST:



Kathy Manley, Northfield Township Clerk