

John W. Morgan
Supervisor

Esther Hurst
Clerk

Kenneth Bednark
Treasurer

Sumpter Township

23480 Sumpter Road
Belleville, MI 48111
Ph: (734)461-6201
Fax: (734)461-6441
www.sumptertwp.com

Donald LaPorte
Trustee

Matthew Oddy
Trustee

Donald Swinson
Trustee

Tim Rush
Trustee

GUIDELINES AND INSTRUCTIONS FOR POVERTY EXEMPTION - 2019

General Information and Instructions for Applying for Poverty Exemption

If granted an exemption, it is for the current year only. If your situation warrants an exemption in years following, a new application must be submitted for review. The Low/Limited Income exemption is meant to be a temporary form of assistance.

Per, MCL 211.7u(3), the application for consideration must be received by the Assessor's Office at least one day prior to the last session of the Board of Review. Board of Review dates are available by calling (734) 461-6201 ext: 2236. By resolution of the Township Board, application can be made by mail.

The application must be filled out in its entirety and all requested documentation must be attached. If an area does not apply to the applicant, "N/A" must be used. If the application is not complete or requested documentation is not included, the Board of Review will deny the exemption. All pages included with this application must be returned when the application is submitted for review.

MCL 211.7u(5) allows the Board of Review to deviate from the established guidelines if there are "substantial and compelling" reasons. It is required that all substantial and compelling reasons be documented.

Per MCL 211.7u(6), a person who files a claim for Poverty exemption IS NOT prohibited from also appealing the assessment on the property to the Board of Review in the same year.

If the applicant qualifies for Poverty Exemption, the Board of Review may grant a complete exemption from property taxes, a partial reduction in property taxes, or no reduction as set forth in these guidelines. Approval of the application does not automatically warrant a complete exemption from property taxes. Under no circumstances shall the Board of Review reduce the taxable value lower than that which produces an annual tax equal to 3.5% of an applicant's income plus any property tax credit refund payable by the State of Michigan (1040CR) so as not to reduce applicant's following years income tax refund.

Required Documentation to be Attached to Poverty Exemption Application

Federal and State income tax returns for all persons residing in the household must be included with the application. The Homestead Property Tax Credit Claim Form (MI-1040CR) must also be included. The tax returns may be from the current or preceding tax year. If any person in the household is not required to file federal or state tax returns, the included affidavit must be completed by each person that does not file taxes.

The most recent statement for all bank accounts, investments, IRAs, CDs, 401Ks, money market, annuities, etc. The statement submitted must be complete with no missing pages and submitted for all persons residing in the home.

Proof of income/assets from the Social Security Administration, Veterans Administration, Medicare, Medicaid, Bridge Card, and any College/University scholarships for all persons residing in the home.

The most recent mortgage statement of the primary residence under review, including any reverse mortgages.

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

If applicant is requesting the Board of Review to deviate from the established income and asset guidelines, substantial and compelling documentation must be provided. These can include, but are not limited to, medical documentation stating a disability and the degree of disability, medical bills the applicant is responsible for and other documentation to support a deviation.

If primary residence being sought for exemption was purchased within the past two years of this application, homeowner's closing statements must be submitted with application.

Common Reasons for Denial of Poverty Exemption Application

Below are common reasons (but not an exhaustive list) of why a claim for Poverty Exemption is denied:

- Failure to fill out all areas of the application, including "N/A" in areas not applicable to the applicant or signing the application.
- Failure to include State and Federal Income taxes or Michigan 1040CR for current or one preceding year for all persons residing in the home. ***Please note that the State of Michigan 1040 CR is required to be filed with this application. It can still be filed with the State of Michigan even if the applicant does not file income taxes.***
- Failure to include complete banking/investment account and mortgage statements for all persons residing in the home. All pages must be submitted.
- Failure to document "substantial and compelling" reason why Poverty Exemption should be granted if applicant is over income/asset guidelines.

If you are not satisfied with the determination of the Board of Review on the application, you may further your appeal to the Michigan Tax Tribunal (MTT) by contacting them at (517) 373-4400. Appeals must be made by July 31 for applications submitted to the March Board of Review, and within 30 days of the Board of Review's decision on applications submitted to the July and December Board.

Poverty Exemptions are governed under Michigan Compiled Law (MCL) 211.7u which states the following:

- (1) The principal residence of persons 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. This section does not apply to the property of a corporation.
- (2) To be eligible for exemption under this section, a person shall do all of the following on an annual basis:
 - (a) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
 - (b) File a claim with the supervisor or board of review on a form provided by the local assessing unit, accompanied by 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. 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. If a 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, an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.
 - (c) Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.
 - (d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.
 - (e) Meet the federal poverty guidelines updated annually in the federal register by the United States department of health and human services under authority of section 673 of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.
- (3) The application for an exemption under this section shall be filed after January 1 but before the day prior to the last day of the
- (4) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines the local assessing unit uses for the granting of exemptions under this section. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and total household income and assets.

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section unless the board of review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant.

(6) A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(7) As used in this section, "principal residence" means principal residence or qualified agricultural property as those terms are defined in section 7dd.

INCOME GUIDELINES FOR POVERTY EXEMPTION *

* Per Michigan State Tax Commission Bulletin number 16 of 2018, "Changes for 2019, October 22, 2018

<u>Number in Family</u>	<u>Income</u>
1 member	\$ 12,140
2 members	\$ 16,460
3 members	\$ 20,780
4 members	\$ 25,100
5 members	\$ 29,420
6 members	\$ 33,740
7 members	\$ 38,060
8 members	\$ 42,380
For each additional person	\$ 4,320

According to the US Census Bureau, "income" includes:

- Money, wages, and salaries before any deductions
- Net receipts from non-farm self-employment. (These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses.)
- Net receipts from farm self-employment. (The same provisions as above for self-employment.)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments and public assistance.
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, and regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, and assistantships.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

ASSET LEVEL GUIDELINES FOR POVERTY EXEMPTION

The Asset Level does not include the primary residence for which exemption is being sought. It does include, but is not limited to:

- A second home, additional land not associated with the primary residence, or other buildings other than the primary residence being sought for exemption.
- Vehicles and other recreational vehicles such as motor homes, campers, ATVs, boats, and motorcycles.
- Jewelry, antiques, artwork, equipment, and other personal property of value.

- Withdrawals of bank accounts and borrowed money.
- 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.

The total interest income in all accounts (checking, savings, CDs, IRAs, 401Ks, money market, annuities, etc.) CANNOT exceed \$1,500 in the prior calendar year.

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

The applicant shall not have ownership interest in any real estate other than the primary residence being considered for exemption.

The maximum amount in banking/investment accounts is \$10,000 per each person residing in the household with a maximum of \$20,000 for the total household.

Maximum total allowed assets, including amounts in banking/investment accounts may not exceed \$20,000 for the entire household. See above for what is considered an asset.

Parcel Number: 81 _____

APPLICATION FOR LOW/LIMITED INCOME APPEALS - 2019

Name of Applicant: _____ Age: _____

Property Address: _____

Phone Number: _____

Date home was acquired: _____ *If purchased within previous 2 years of application, closing documentation is required.*

Is there a mortgage, land contract, or reverse mortgage on this home? _____ No _____ Yes

If you answered, "yes", please list the monthly payment (excluding taxes and insurance) and include current statement.

Monthly Payment: \$ _____ Number of payments remaining: _____

If you answered, "no" and home was purchased within the previous 5 years of application, please explain how home was financed/paid off.

LIST ALL OCCUPANTS OF HOUSEHOLD	AGE	EMPLOYED?	ANNUAL INCOME	FILED INCOME TAX?*
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____

If more than 5 additional occupants in household, please list on a separate sheet of paper.

* All household occupants must be claimed as a dependent on someone's income tax or file their own tax returns. If not, form 4988 (included with this application) must be completed and signed by occupant.

Are you over the income and asset guidelines but wish to have the Board of Review deviate from the guidelines for other reasons?
 _____ No _____ Yes

If you answered "yes" to the above question, please explain why the Board of Review should deviate from the established guidelines. Remember that documentation must be submitted to support your claim.

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

INCLUDE ALL FORMS OF INCOME RECEIVED FOR ALL RESIDING IN HOUSEHOLD WITHIN THE PAST 12 MONTHS.

Remember Income includes: Money, wages, and salaries before deductions. Net receipts from all self employment. Regular payments from Social Security, railroad retirement, unemployment, worker's compensation, veteran's payments, and public assistance. Alimony, child support, and military family allotments. Private pensions, government pensions, and regular insurance or annuity payments. College or university scholarships, grants, fellowships, and assistantships. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Attached additional sheets if necessary

Money, wages, and salaries before any deductions:

\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____

Unemployment or Worker's Compensation:

\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____

Social Security, Railroad Retirement, Veteran's Payments, Military Family Allotment, or Public Assistance:

\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____

Alimony or Child Support:

\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____

Gambling or lottery winnings:

\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____

Net receipts from self employment:

\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____
\$ _____	Who receives? _____	\$ _____	Who receives? _____

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

Income, Continued

Private or government pension, regular insurance or annuity payments, dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts:

\$ _____ Who receives? _____ \$ _____ Who receives? _____ \$ _____ Who receives? _____	\$ _____ Who receives? _____ \$ _____ Who receives? _____ \$ _____ Who receives? _____
--	--

College or University scholarships, grants, fellowships, and assistantships:

\$ _____ Who receives? _____ \$ _____ Who receives? _____ \$ _____ Who receives? _____	\$ _____ Who receives? _____ \$ _____ Who receives? _____ \$ _____ Who receives? _____
--	--

INCLUDE ALL FORMS OF ASSETS FOR ALL RESIDING IN HOUSEHOLD WITHIN THE PAST 12 MONTHS

Remember Assets includes: A second home, additional land not associated with the primary residence, or other buildings other than the primary residence being sought for exemption. Vehicles and other recreational vehicles such as motor homes, campers, ATVs, boats, and motorcycles. Jewelry, antiques, artwork, equipment, and other personal property of value. Bank accounts, stocks, bonds, and investments. This also includes the money received from the sale of stocks, bonds, investments, cars, and houses unless a person is in the specific business of selling such property. Withdrawals of bank accounts and borrowed money. 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.

Attached additional sheets if necessary

Additional Home, Land, Building, or Property Owned

Address _____ _____ Who owns? _____	Address _____ _____ Who owns? _____
---	---

Vehicles, including other recreational vehicles as described above

Make and Model _____ Year _____ Who owns? _____ Approx. Value: \$ _____ Monthly Payment: \$ _____	Make and Model _____ Year _____ Who owns? _____ Approx. Value: \$ _____ Monthly Payment: \$ _____
Make and Model _____ Year _____ Who owns? _____ Approx. Value: \$ _____ Monthly Payment: \$ _____	Make and Model _____ Year _____ Who owns? _____ Approx. Value: \$ _____ Monthly Payment: \$ _____

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

Assets, Continued

Bank accounts, stocks, bonds, and investments (including money received from the sale of these things) Remember to include proof of value.

Type of Account _____
 Who owns? _____
 Total Value: \$ _____

Type of Account _____
 Who owns? _____
 Total Value: \$ _____

Type of Account _____
 Who owns? _____
 Total Value: \$ _____

Type of Account _____
 Who owns? _____
 Total Value: \$ _____

Gifts, loans, lump-sum inheritances, and one-time insurance payments

Explain _____

 To who paid? _____
 Total Value: \$ _____

Explain _____

 To who paid? _____
 Total Value: \$ _____

Explain _____

 To who paid? _____
 Total Value: \$ _____

Explain _____

 To who paid? _____
 Total Value: \$ _____

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

Explain _____

 To who paid? _____
 Annual Value: \$ _____

Explain _____

 To who paid? _____
 Annual Value: \$ _____

Explain _____

 To who paid? _____
 Annual Value: \$ _____

Explain _____

 To who paid? _____
 Annual Value: \$ _____

Withdrawals from bank accounts, stocks, or borrowed money

Type of Account _____
 To who paid? _____
 Total Value: \$ _____

Type of Account _____
 To who paid? _____
 Total Value: \$ _____

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

Assets, Continued

Jewelry, antiques, artwork, equipment, and other personal property of value

Explain _____

Explain _____

Who owns? _____

Who owns? _____

Approx. Value: \$ _____

Approx. Value: \$ _____

Explain _____

Explain _____

Who owns? _____

Who owns? _____

Approx. Value: \$ _____

Approx. Value: \$ _____

Food or housing in lieu of wages (including in home care workers/aids)

Explain _____

Explain _____

To who paid? _____

To who paid? _____

Value: \$ _____

Value: \$ _____

I certify that all statements made in this petition are true and correct. I also understand that failure to provide all requested documentation will result in a denial of my appeal. I further understand that if any information is found to be false or incomplete, any relief granted will be forfeited and placed back on the assessment roll with penalties and interest in accordance with Section 211.119 of Michigan Compiled Laws.

Signature of Owner(s):

Date: _____

For Office Use Only - Do Not Write Below This Line

Staff - Initial next to all requirements as it relates to the application/applicant.

Does the applicant appear as taxpayer of record of property in question? Yes _____ No _____

If not, has documentation proving ownership been provided? Yes _____ No _____

Are all areas on the application complete with either an answer or "N/A"? Yes _____ No _____

Are all pages of the guidelines/application included with the applicants submission? Yes _____ No _____

Does the applicant reside at the property in question? Yes _____ No _____

Are copies of the Federal and State income tax returns and the MI-1040 CR for the current of preceding year attached for all persons residing in the household? Yes _____ No _____

If not, is the affidavit stating the person is not required to file income taxes completed? Yes _____ No _____

If home was purchased within in past 2 years of date of this application, is closing statements provided? Yes _____ No _____

Is a copy of the most current mortgage statement, including a reverse mortgage if applicable, attached? Yes _____ No _____

Are copies of the most recent bank/investment statements for all residing in the household attached with all pages included? Yes _____ No _____

If applying for medical reasons/deviation from the guidelines, is documentation attached? Yes _____ No _____

Approved by Township Board Resolution on 01/22/2019

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

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 of 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 of 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 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

TOWNSHIP OF SUMPTER INSTRUCTIONS AND GUIDELINES FOR POVERTY EXEMPTION - 2019

For Office Use Only

Parcel Number: 81 _____

Year: _____

Age: _____

Applicant's Name: _____

Taxable Value on Roll \$ _____

Is applicant over income/asset guidelines and asking for consideration from the Board of Review to deviate from the guidelines?

Yes _____ No _____ If no, complete the following:

Poverty Exemption Worksheet

a. Total Household Income from Information Provided \$ _____

b. Multiply line a (income) by 3.5% \$ _____

c. Age 65 or older? Yes _____ No _____

If yes, and applicant does NOT supply MI 1040CR use chart at right to determine credit. If no, and applicant does NOT supply MI 1040CR multiple line b by 60%

\$ _____
cannot exceed \$1,500

d. Refund Amount from MI 1040CR if supplied \$ _____

e. Total Tax Obligation (add lines b, c, d) \$ _____

f. 2018 PRE Millage Rates

Huron - 82340	0.368642
Airport - 58020	0.32004
Lincoln - 81070	0.372118
Van Buren - 82430	0.333359

_____ Appropriate Millage Rate

Total Household Resources	Percentage
\$0 - \$21,000	100% (1.00)
\$21,001 - \$22,000	98% (0.98)
\$22,001 - \$23,000	92% (0.92)
\$23,001 - \$24,000	88% (0.88)
\$24,001 - \$25,000	84% (0.84)
\$25,001 - \$26,000	80% (0.80)
\$26,001 - \$27,000	76% (0.76)
\$27,001 - \$28,000	72% (0.72)
\$28,001 - \$29,000	68% (0.68)
\$29,001 - \$30,000	64% (0.64)
\$30,001 - above	60% (0.60)

g. Poverty Taxable Value (divide line e by line f) \$ _____

For Board of Review Use Only - Do Not Write Below This Line

<p>_____ Appeal Denied</p> <p>_____ 1. Does not qualify based on guidelines</p> <p>_____ 2. Application not complete, missing information</p> <p>_____ 3. Did not furnish proper documentation</p> <p>_____ 4. Other: _____</p> <p>_____</p> <p>Initials of Board Members: _____</p>	<p style="text-align: right;">_____ Reduction Granted</p> <p><u>Taxable Value</u></p> <p>As on Roll \$ _____</p> <p>Revised \$ _____</p> <p style="text-align: right;">Date: _____</p>
--	--

If you are not satisfied with the determination of the Board of Review on the application, you may further your appeal to the Michigan Tax Tribunal (MTT) by contacting them at (517) 373-4400. Appeals must be made by July 31 for applications submitted to the March Board of Review, and within 30 days of the Board of Review's decision on applications submitted to the July and