

GRASS LAKE CHARTER TOWNSHIP BOARD OF REVIEW

2018 GUIDELINES FOR POVERTY EXEMPTIONS

In granting a poverty exemption in part or in whole, the applicant as well as the Board of Review realizes this represents a shift of that portion of the tax burden to the other taxpayers in the community.

A POVERTY Exemption is defined by the Michigan Compiled Laws Sec. 211.7u as *“The real and personal property of persons, in the judgment of the Supervisor and Board of Review by reasons of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act.”*

1. A poverty exemption is granted for *one year only*. The applicant must apply each year to be considered for an exemption.
2. The poverty exemption shall apply to the applicant’s principle residence only and not excess land.
3. The applicant must have lived a minimum of two (2) years at the requested address and received a principle residence exemption during this time.
4. Property tax payments within the township must be current.
5. The State Equalized Value (SEV) of the principal residence may not exceed \$100,000.
6. **The applicant is required to provide** copies of federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns. These income tax returns shall include those filed in the current year or in the immediately preceding year. **Important:** if an income tax return is not required to be filed, a copy of a signed affidavit attesting to this fact must accompany the application.
7. **The applicant is required to provide** a complete copy of the previous 12 monthly statements for any bank or investment accounts for all persons residing in the principle residence.

*If the above qualifications are met, a determination for exemption shall be based on two guidelines - an income level and an asset level. **These guidelines pertain to all persons residing in the principal residence.** Meeting these guidelines does not automatically qualify an applicant for an exemption. The Supervisor and Board of Review will take into account the expenses and extenuating financial circumstances which are *temporarily* beyond the control of the applicant.*

1) Income Level Guideline:

The following are the poverty guidelines approved by the Grass Lake Charter Township Board for use in setting poverty exemptions for the 2018 assessments. These guidelines are established annually utilizing 150% times the U.S. Department of Health & Human Services poverty guidelines.

18,090	– 1 member in the household
24,360	– 2 members in the household
30,630	– 3 members in the household
36,900	– 4 members in the household
43,170	– 5 members in the household
49,440	– 6 members in the household
55,710	– 7 members in the household
61,980	– 8 members in the household
6,270	– Each additional member in the household

“Members of a household” must qualify as a dependent from which the applicant is entitled to a dependency exemption by IRS rules.

2) Asset Level Guideline:

Applicants cannot have more than \$25,000 in assets to be eligible for consideration. Assets do not include the principle residence or an automobile. Assets *do* include: stocks, bonds, mutual funds, cash value insurance policies, coin collections, boats, ORVs, motorcycles, recreational vehicles, second homes or salable property, retirement accounts, jewelry, etc.

These guidelines were approved by resolution of the Township Board at their November 14, 2017 meeting and adopted by the Board of Review at their meeting held on December 12, 2017.

There are three sets of numbers. FPLs are higher in Alaska and Hawaii than in 48 contiguous states and Washington DC.

48 Contiguous States and Washington DC

NUMBER OF PERSONS IN HOUSEHOLD	2016 COVERAGE	2017 COVERAGE	2018 COVERAGE
1	\$11,770	\$11,880	\$12,060
2	\$15,930	\$16,020	\$16,240
3	\$20,090	\$20,160	\$20,420
4	\$24,250	\$24,300	\$24,600
more	add \$4,160 each	add \$4,140 each	add \$4,180 each

$$\text{\$12,060} \times 150\% = \text{\$18,090}$$

$$\text{\$16,240} \times 150\% = \text{\$24,360}$$

$$\text{\$20,420} \times 150\% = \text{\$30,630}$$

$$\text{\$24,600} \times 150\% = \text{\$36,900}$$

$$\text{\$4,180} \times 150\% = \text{\$ 6,270}$$