Union Township

5020 Fife Lake Road, Fife Lake, MI 49633
www.uniontownshipgt.com

GUIDELINES FOR POVERTY EXEMPTION REVIEW

I. General Overview

The Board of Review of the Union Township recognizes the need to have available a procedure by which residents in need of assistance under MCL 211. 7u can make an application for property tax relief.

The Union Township Board adopts a policy which includes an asset and income test. The Board of Review shall follow the Union Township policy when granting or denying an exemption. If a person meets all eligibility requirements, 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%, 50% or 75% reduction in taxable value.

A taxpayer who files for a poverty exemption at the March Board of Review is not prohibited from also filing a valuation appeal at the March Board of Review. A taxpayer may also file a poverty exemption application with the July or December Board of Review. Poverty exemption denials may be appealed to the Michigan Tax Tribunal.

The income levels used are the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services. The income levels are updated annually.

Any form submitted that is inaccurate or not fully completed will result in a denial of the appeal. All information in the form is subject to verification from the Board or Assessor's Office.

II. Basic Filing Requirements

In order to be considered for exemption under MCL 211. 7u each applicant must:

A. All applicants must annually file a completed application form and all required documentation with the Union Township Assessor. The application and supporting documentation must be submitted on or after January 1, 2026, but before the December Board of Review.

B. Own and occupy the property as a homestead, defined by law, for which the request is being made.

C. Complete and submit an Application for Tax Exemption on a form designated and supplied by the Union Township Assessor's Office.

D. Submit income verification as required. This must include current Federal and State Income Tax Returns, State Homestead Property Tax Credit Forms, or any additional information requested by the Board of Review.

E. In accordance with PA 390 of 1994, the applicant must meet the “Asset Guidelines” adopted by the Union Township Board.

F. The applicant must meet the Federal Poverty Income Guidelines.

III. Processing Applications

Once an Application for Tax Exemption is completed and returned to the Assessor's Office, it will be reviewed by the assessing staff.

The Board of Review, in making their decision, may contact the applicant for any additional information they deem necessary. The Board of Review shall also reject any application where the information contained in it appears fraudulent, misleading or incomplete.

IV. Income Guidelines

The income guidelines used by the Board of Review have been established in accordance with P .A. 390 of 1994 and shall be adhered to unless accompanied by special circumstances. In determining qualifications for tax exemption, the Board of Review shall consider every variable on the application, including total household income, the nature and duration of the income stream, the state equalized value of the subject property, the quality and accuracy of the information submitted and any other such evidence as they feel appropriate in making their decision. In general these guidelines shall assist the Board of Review in their decisions.

V. Asset Guidelines

As required by P .A. 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit SHALL also include an asset level test.

The purpose of an asset test is to determine the resources available (cash and fixed assets and property that could be converted to cash) that could be used to pay property taxes in the year the poverty exemption is filed.

The following asset test shall apply to all applications for poverty exemption:

• The applicant shall not have total assets (excluding the value of the principal residence subject to the exemption request) in excess of ten (10) times the amount of the estimated tax obligation of the current assessment. *For example, if the tax obligation is $2,000, the maximum total other assets is $20,000 ($2,000 x 10).*

VI. Summary

In conclusion, the Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for the Union Township takes this task seriously and attempts to provide relief to all deserving residents within the township. The Board of Review may deny any appeal, regardless of income, if the financial hardship appears to be self-created by the actions of the person or persons making the application. The Board of Review reserves the right to modify these guidelines as necessary.

Failure to meet the requirements or submission of an incomplete application will result in a denial of the poverty exemption.

Asset Guidelines

Used in the Determination of Poverty Exemptions

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Assets greater than what is stated above will result in a denial of the poverty exemption.

All asset information, as requested in the Application for Poverty Exemption, must be completed in total. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may deny an application if the assets are not properly identified.

Cash and other assets may include but are not limited to:

- Bank accounts
- Stocks and bonds, pensions, IRAs and other investment accounts
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Money received from the sale of property such as stocks, bonds, a house or a car unless a person is in the specific business of selling such property
- Second home, rental property, or building/property other than the residence
- Excess or vacant acreage
- Extraordinary automobiles
- Jewelry, antiques, or artworks
- Recreational vehicles*
- Equipment or other personal property of value
- 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
- Total acreage of the applicant’s parcel. __________
- The applicant is allowed the home and 9.99 acres as part of the home footprint. Any acreage in excess of 9.99 acres shall be considered an asset towards the total assets.

* Recreational vehicles may include snowmobiles, boats, camping trailers, travel trailers, motor home, Jet Ski, motorcycles, off road vehicles, or anything which may be considered a recreational vehicle.

Income Guidelines

Used in the Determination of Poverty Exemptions

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemptions and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than $26,650 which is the amount shown on the following chart for a family of 3 persons.

Below are the federal poverty guidelines updated annually in the federal register by the US Department of Health and Human Services. Union Township will follow these guidelines for establishing 2026 poverty exemptions:

Size of Family Unit	Poverty Guidelines
1	$15,650
2	$21,150
3	$26,650
4	$32,150
5	$37,650
6	$43,150
7	$48,650
8	$54,150
For each additional person	$5,500

The income guidelines shall include, but are not limited to, the annual income for the person claiming the exemption <u>and all persons living in the principal residence.</u>

Income includes:

- Money, wages, salaries before deductions, and regular contributions from persons not living in the residence
- Cryptocurrency in all forms
- Net receipts from non-farm and farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, and supplemental security income (SSI)
- Alimony, child support, military family allotments
- Private and governmental retirement and disability pensions, regular insurance, annuity payments
- College or university scholarships, grants, fellowships, and assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings
- Rental income

Meeting the income levels of Union Township policy does NOT guarantee the approval of a poverty exemption. Income and assets are reviewed by the Board of Review in the decision making process.

Reduction Calculation

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 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) 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 following depicts the taxable value reduction granted to the eligible applicant for 2026 poverty exemptions:

Household Size	Fed. Income Limit	100% Exemption Applicant Income	75% Exemption Applicant Income	50% Exemption Applicant Income	25% Exemption Applicant Income
1	$15,650	$0 - $3,913	$3,914 - $7,825	$7,826 - $11,738	$11,739 - $15,650
2	$21,150	$0 - $5,288	$5,289 - $10,575	$10,576- $15,863	$15,864- $21,150
3	$26,650	$0 - $6,663	$6,664 - $13,325	$13,326- $19,988	$19,989- $26,650
4	$32,150	$0 - $8,038	$8,039 - $16,075	$16,076- $24,113	$24,114- $32,150
5	$37,650	$0 - $9,413	$9,414 - $18,825	$18,826- $28,238	$28,239- $37,650
6	$43,150	$0 - $10,788	$10,789- $21,575	$21,576- $32,363	$32,364- $43,150
7	$48,650	$0 - $12,163	$12,164- $24,325	$24,326- $36,488	$36,488- $48,650
8	$54,150	$0 - $13,538	$13,539- $27,075	$27,076- $40,613	$40,613- $54,150

Income greater than what is stated above, per household size, <u>will result in a denial of the poverty exemption.</u>

POVERTY EXEMPTION ATTACHMENTS

(Please submit copies only -not originals)

THIS COMPLETED CHECK LIST MUST BE RETURNED WITH THE REQUEST FOR POVERTY EXEMPTION

CHECK LIST PAGE 1 OF 2

- Provide Documents for applicant, spouse, and/or all others that are residing in the home.
- Submit the most recent statement/document unless otherwise indicated.
- Please submit copies only, not originals. Anything submitted will not be returned.
- If one of the items below does not apply, please write "N/A" (not applicable) to indicate the applicant does not have anything to provide.
- This initialed checklist must be returned with the application forms.

Initial below when requested information is attached to the application:

_____ Valid Michigan Driver's License or other legal form of photo identification for all persons in the household

_____ Previous year Federal Income Tax Return - fully complete, signed copy of what was filed with the IRS

_____ Previous year State Income Tax Return - fully complete, signed copy of what was filed with the State of MI

_____ If any of the applicants are not required to file a Federal or State Income Tax return, Form 4988, Poverty Exemption Affidavit (attached) must be provided for ALL persons that are not required to file income tax.

_____ Michigan Homestead Property Tax Credit (Ml-1040CR). This completed form is required regardless of your requirement to file income tax returns

_____ Current full credit report for all persons 18 years or older residing in the household. Reports that include only the credit score will not be accepted. Full credit reports are available at no cost to the applicant once per year from all three (3) of the following credit reporting bureaus: Equifax, Experian and TransUnion.
Free credit reports are available at www.annualcreditreport.com

_____ Bank and/or credit union monthly statements for the **prior 12 months (as of the date of application) of ALL checking and savings accounts**

_____ Social Security Benefit Statement

_____ Certificate of Deposit statement

REQUIRED ATTACHMENTS TO APPLICATION CHECK LIST PAGE 2 OF 2

_____ Stocks or bonds statement

_____ Child Support payment statement

_____ Alimony payment statement

_____ Insurance or annuity payment statement

____ If home was purchased in the prior 2 years, a copy of the loan application and closing statement

____ Most recent mortgage verification showing balance of loan plus principal and interest payment amounts

_____ Second mortgage or equity loan statement

_____ List and current value of other property currently owned by applicant (includes but not limited to vacant land, second home, rental property, building/property other than the residence)

_____ List of equipment, jewelry, antiques, artwork and current value

_____ State of Michigan car registration for all vehicles

_____ List of regular contributions OR gifts OR loans from persons not living in the residence (in the last 24 months)

_____ List of dividends, interest, and net income from rentals or estates or trusts (in the last 24 months)

_____ List of money received from the sale of property such as stocks, cryptocurrency, bonds, a house, or a car (in the last 24 months)

Failure to provide a complete application will result in a denial of the poverty exemption.

APPLICANT CERTIFICATION

Please initial EACH applicable statement:

_____ I/We declare that the statements made herein are complete, true and correct to the best of my/our knowledge. Any willful misstatements or misrepresentations made on this form may constitute perjury, which under the law, is a felony punishable by fine or imprisonment.

_____I/We also understand that this application will be DENIED if the information contained within is found to be false or incomplete.

_____I/We understand that if any information contained herein is found to be false or incomplete, any and all relief granted by this application will be forfeited and placed back on the assessment roll with penalties and interest occurring on the additional tax liability in accordance with Section 211.119 of the Michigan Compiled Laws.

_____I/We understand this application for exemption is ONLY for the current tax year.

_____I/We have received a copy of and understand the current Poverty Exemption Policy and Guidelines.

_____I/We certify that I/We DID file a State or Federal Income Tax Return (1040 or MI-1040) and Michigan Homestead Property Tax Credit (MI-1040CR) for the previous tax year and included a copy with this application OR completed and included the Poverty Exemption Affidavit.

_____ I/We hereby authorize the Township of Union Assessing Department to verify and or obtain information from any creditor, financial institution, government agency, insurance company or any other organization necessary for the purpose of this application of Poverty Exemption for the tax year of 2026.

Applicant Signature: ________________________________ Date: ______________

Spouse Signature: _________________________________ Date: ______________

Name of Preparer if other than applicant: _______________________________________

WAVER OF CONFIDENTIALITY

Parcel ID Number: ____

Property Address:____

I (we), ____, hereby consent to the examination of all submitted documents as well as the tax returns and any other related financial documents required to determine eligibility for tax relief, including but not limited to all those listed below:

Federal Income Tax Returns

Michigan Income Tax Returns

Principal Residence Exemption Form

Social Security Administration Statements

by the Union Township Assessor, their designated agent, the members of the
Union Township Board of Review, and the State of Michigan Tax Tribunal authority. I further consent to any discussion of the information contained in this application at a duly convened public meeting of the Union Township Board of Review.

By signing this Waiver of Confidentiality, I understand and acknowledge that I am forever giving up any and all possible claims that I may have related to the disclosure of information contained in said tax returns and related documents, for which claims may arise pursuant to Internal Revenue Code Section 6103, and/or any other federal, state, or local statute or regulation.

I certify that I have read and understand the contents of this document in its entirety and have signed it of my own free will.

______________________________ ______________________________

Print Name | Print Name

______________________________ ______________________________

Signature | Signature

______________________________ ______________________________

Date | Date

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 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____________________________________

Reset Form

Application and Affirmation 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 where the property is located in each year on or after January 1 but before the day prior to the last day of the board of review. Poverty Exemptions may be heard by the Board of Review during its March, July, and December sessions.

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.

PART 1: PERSONAL INFORMATION — 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

PART 2: REAL ESTATE INFORMATION

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 Identification Number		Name of Mortgage Company
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence
Property Description		

PART 3: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)

☐ I own the property in which the exemption is being claimed.

☐ 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.

PART 4: ADDITIONAL PROPERTY INFORMATION

List information related to any other property owned by you or any member residing in the household.

☐ 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

Continue on Page 2

PART 5: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 6: INCOME SOURCES

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)

PART 7: CHECKING, SAVINGS AND INVESTMENT INFORMATION

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

PART 8: LIFE INSURANCE — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 9: MOTOR VEHICLE INFORMATION

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

Continue on Page 3

PART 10: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	$ Contribution to Family Income

PART 11: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 12: MONTHLY EXPENSE INFORMATION

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)

Continue and sign on Page 4

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 13: 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 14: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name			Daytime Telephone Number

Mailing Address	City	State	ZIP Code

PART 15: 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

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 30 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
Email: taxtrib@michigan.gov

FOR UNION TOWNSHIP BOARD OF REVIEW USE ONLY

Disposition by Board of Review Date: ____________

( ) Reduce to: $_______________

( ) Denied -------------------------

Reasons for denial:

___Person(s) do not own/occupy principal residence.
___Principal residence was purchased within two (2) years from appeal date.
___Township asset test does not qualify
___Income is greater than federal poverty income standards.
___Value of all assets exceeds five (5) times the annual household income of applicant.
___Form incomplete.

Board of Review

____
Member

____
Member

____
Member

Assessor

____
Debra Johnson, Assessor