

CURRENT POVERTY GUIDELINES, INCLUDING THE ASSET TEST

SEBEWA TOWNSHIP

GUIDELINES AND ASSET LEVEL TEST FOR POVERTY EXEMPTION

As adopted by Sebewa Township Board per Resolution: 2025-02 -04/29/25

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% or 50% or 75% reduction in taxable value OR any other percentage reduction in taxable value approved by the STC- if the applicant meets the eligibility requirements as outlined. *Guidance for a partial exemption is given in the attached document provided by the State Tax Commission titled: STATE TAX COMMISSION POLICY REGARDING REQUESTS FOR PERCENTAGE REDUCTIONS IN TAXABLE VALUE FOR POVERTY EXEMPTIONS UNDER MCL 211.7u.*

GUIDELINES AND ASSET TEST AS FOLLOWS:

To be eligible for exemption under this section the General Property Tax Act, MCL 211.7u, a person must do all of the following on an annual basis

1. The applicant must own and occupy the subject property as their “**PRINCIPAL RESIDENCE**” as that term is defined in MCL 211.7dd.
2. Fill out completely and file the following with the township assessor’s office:
 - i) **File a Poverty Exemption Application Form 5737 *Application for MCL 211.7u Poverty Exemption***
 - ii) **Form 5739 *Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty***
 - iii) **File All required additional documentation (such as federal/state income tax returns)**with the assessor’s office each year after January 1st but before the week prior to the last day of the Board of Review.
 - Address of the Assessor:
SEBEWA TOWNSHIP BOARD OF REVIEW
c/o JEFF HOFFMAN, ASSESSOR
PO BOX 175
LOWELL, MI 49331
3. Provide federal and state income tax returns for applicant AND 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 OR Treasury form 4988 shall be filed with the Poverty Application for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year.
4. Produce a valid driver license or other form of identification if requested by the supervisor or board of review.
5. 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.
6. To meet eligibility, the applicant’s total household gross income cannot exceed the federal Poverty Guidelines which are published ANNUALLY by the U.S. Department of Health and Human Services. (For determining the current tax year poverty exemption, the prior year’s federal poverty guidelines numbers must be used. Example: 2025 tax year exemption -use 2024 poverty exemption guidelines figures)
7. **Must meet the Asset Level Test determined by the Sebewa Township Board in Resolution 2025-2 to be:**
 - **Household assets, except the homestead being claimed, essential household goods and the first \$10000 of the market value of a motor vehicle, should not exceed:**
 - (a) **\$10000 for claimant;**
 - (b) **\$20000 for the household.**

Assets include, but are not limited to real estate other than the principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, and retirement funds. Reverse Mortgage payments. Assets do not include essential household goods such as furniture, appliances, dishes and clothing.

The filing of the Form 5737 constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

FEDERAL POVERTY GUIDELINES 2024

<i>Persons in family/household</i>	<i>2024 Poverty Guidelines</i>
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,960
7	\$47,340
8	\$52,720
More than 8 persons:	Add \$5,380 for each additional person

**STATE TAX COMMISSION POLICY REGARDING REQUESTS FOR PERCENTAGE REDUCTIONS IN TAXABLE VALUE FOR
POVERTY EXEMPTIONS UNDER MCL 211.7u Public Act 253 of 2020 amended MCL 211.7u related to poverty
exemptions.**

PA 191 of 2023 amended the lists 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 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 Commission shall use the following process for the filing, review, and approval of local assessing unit requests to utilize a percentage reduction in taxable value when approving poverty exemptions under MCL 211.7u: 1. A local assessing unit that wants to use any other percentage reduction(s) in taxable value other than the reductions specifically authorized in statute must obtain permission for use of such percentage reduction(s) by filing Form 5738, Request For Approval of Percentage Reduction in Taxable Value For Poverty Exemptions Under MCL 211.7u with the State Tax Commission. 2. The local assessing unit must indicate on the Form the specific percentage reduction(s) in taxable value requested and an explanation of how the requested percentage reduction(s) will be calculated and applied when granting a poverty exemption. Based on case law, calculations that utilize any of the following are not permitted: a. A limitation on the maximum value of the principal residence eligible to receive an exemption. b. A requirement that the principal residence must be owned for a certain number of years before a claim for exemption can be made. c. A limitation on the number of years an exemption can be claimed and received. 3. If a person meets all eligibility requirements in statute for receiving a full or partial exemption, the calculation for the percentage reduction in taxable value cannot result in a person receiving no relief, i.e., the calculation cannot result in a taxable value greater than or equal to the taxable value prior to application for the poverty exemption in that tax year. Originally adopted January 19, 2021, Amended December 19, 2023 4. Form 5738 must be completed in its entirety and signed by the local assessing unit clerk and assessing officer. 5. The completed Form and any attachments must be submitted to the State Tax Commission at: State Tax Commission, PO Box 30471, Lansing, MI 48909 or by email to State-Tax-Commission@michigan.gov. 6. Requests will be reviewed by State Tax Commission staff. If insufficient documentation was provided by the local assessing unit, the local assessing unit will be notified in writing and will be permitted to submit adequate documentation to the State Tax Commission within 30 days of the written notice. If adequate documentation is not submitted within the deadline, staff will recommend that the State Tax Commission deny the request. 7. Upon receipt of a completed request, staff will review the proposed percentage reductions(s) in taxable value and explanation of how the reduction(s) will be calculated and applied when granting a poverty exemption. Staff recommendations to approve or deny a local unit request will be forwarded to the State Tax Commission for review and decision. 8. If approved, the local assessing unit will receive written notification within 14 days of the State Tax Commission meeting approving the request. 9. A local assessing unit that wishes to modify any percentage reduction(s) previously approved by the Commission must do so by submitting a new Form 5738 with the requested percentages.

Originally adopted January 19, 2021, Amended December 19, 2023