

MARSHALL TOWNSHIP POVERTY EXEMPTION APPLICATION

2021 POLICY AND GUIDELINES

A. POLICY

The Township Supervisor and Board of Review of Marshall Township will analyze all applications for Poverty Exemptions, according to amended P.A.390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL). Every taxpayer will be treated the same, and the items to be considered and the manner in which they will be analyzed are listed under the following guidelines.

B. APPLICATION GUIDELINES:

To be eligible for a Poverty Exemption in the Township of Marshall,

1) The primary applicants must own and occupy the property as their principal residence. (Three full calendar years of residency are required). Property placed in a trust does not qualify as owned for poverty exemption purposes. All owners and occupants are required to include their financial information in the application process, and sign Waivers of Confidentiality, Authorizations to Inspect the Property and permission to interview the applicants and verify the Applications.

2) All owners and occupants must include **signed** Federal Tax Returns (if required to be filed) & Michigan Income Tax Returns; including all supporting schedules and a filed MI-1040CR, Homestead Property Tax Credit Claim. All submitted returns must be signed and dated. **There are no exceptions;** current tax returns are required to be eligible for a poverty exemption.

3) Income and Asset information are required for all owners and occupants of the property. Information regarding exemptions for dependents, elderly and disabled obtained from the Federal and Michigan Income Tax Returns will be noted.

Suggested Asset and Income sources:

Include but not limited to the following;

Income from all sources	Alimony
Child Support	Interest
Social Security	Dividends
Unemployment Compensation	Pensions
Worker's Compensation	Insurance
General Assistance	IRA/Keogh Annuities
Cash	Retirement Accounts
Checking/Savings Accounts	Stocks/Bonds
Investments (Tangible/Intangible)	Deferred Compensation
Money Markets	Gifts
New or Reverse Mortgages	Assets in Trust Accounts

4) All Poverty Exemption applicants are eligible to apply for the poverty exemption for a period of three (3) years within of a ten (10) year period. The property cannot be valued at more that the average home market value of **\$190,000.***

*(This calculation is double (2 times) the current assessed value.)

Only Senior Citizens and Disabled residents May qualify for an Exception to the above paragraph B (4) if they meet the following qualification:

a) Senior and/or disabled citizens who have resided in the home more than ten (10) years may qualify every year.

b) A senior citizen is defined as at least sixty-five (65) years old as of December 31st of the year prior to the current year March Board of Review. A disabled citizen is defined as someone declared disabled by the Social Security Administration or other similar government agency. Documents confirming their permanent disability are to be submitted with their application.

c) Senior citizens residing in the home less than the ten (10) year requirement may qualify if the current residence is a result of downsizing. Downsizing is defined as a reduction in the market value from their former primary residence.

d) Individuals permanently disabled may qualify every year if they downsized their primary residence or continue to reside in the same residence occupied when declared disabled.

5) All Applicants must provide valid age and picture identification, and sign both a Waiver of Confidentiality and an authorization for the Board to verify the application and to inspect their property.

6) Any ownership interest in any real estate other than applicant's principally residence automatically disqualifies the applicant from consideration for a hardship exemption under normal circumstances.

7) If Total Household Income including Investment Value Yield (see Part F (1)) falls above the WBT Income schedule, the Homestead is considered ineligible for a Poverty Exemption and no additional analysis is then made by the Township.

8) Assets in excess of \$5,000 will be considered available for property tax payments.

There are no exceptions to the above paragraphs B (2), (3), (5), (6), (7), (8) and (9).

C. 2021 WBT POVERTY GROSS INCOME/ASSET SCHEDULE

Family Size

Income Schedule

1.	\$12,760
2.	\$17,240
3.	\$21,720
4.	\$26,200
5.	\$30,680
6.	\$35,160
each additional person	\$4,480

D. EVALUATION PROCEDURE

1. Applications may be reviewed by the March Board of Review without the applicants being present. However, the Board may request that an applicant or their representative be available to respond to any questions the Board or Assessor may have. Board of Review meeting schedules will be made available to the applicants.
2. If requested, the applicants should be prepared to answer questions regarding their financial affairs, their health, and the status of people living in the household; and reasons why they are unemployed.
3. The Board of Review will follow the approved policy and guidelines to determine eligibility and the amount of the exemption
4. The Supervisor and the Board of Review must agree as to the disposition of the poverty claim for the exemption to be granted.
5. All information is subject to verification. The verification process can determine future ineligibility.
6. The Supervisor will keep minutes of all proceedings before the Board of Review. All meetings are to be held in a municipal building.
7. A person filing a poverty exemption claim may also appeal the same parcel assessment before the current March Board of Review.
8. The Board of Review shall follow the policy and guidelines of the Township in granting or denying an exemption under this section. Any substantial and compelling reasons for deviating from the policy and guidelines will be communicated to the claimant in writing.

E. INCOME AND ASSET TESTS

1. INCOME TEST:

Eligible applicants may pay a tax equal to minimum of three percent (3%) of their Total Household Income. In Addition, all applicants are required to have filed a Michigan Income Tax Return (MI1040CR), homestead property tax credit, for the Income tax year under appeal.

2. ASSET TEST:

a.) If the investment-value of the applicant's assets calculates, at the stated interest rate, an income stream when added to the applicant's reported income, a sum that is less than the stated household income guidelines; then a poverty exemption may be granted. Underutilized assets and assets available for Investment will have an income stream estimated and included in the (IVY) calculations.

b) When an amount of income is added to the applicant's reported income and produces a sum greater than the stated household income guidelines, a poverty exemption may be denied. If the applicant's assets are of an amount which would indicate that a condition of poverty is not indicated, then a poverty exemption shall be denied.

F. CALCULATIONS:

1) The investment Value Yield (IVY) is calculated by multiplying the applicants' total assets available by the stated interest rate indicated below:

2.50% - savings, cash, money market, other short term assets

4.00% - stocks, bonds, other long term securities

4.00% - other long term assets. Examples of long term assets available for (IVY) calculations are defined as property underutilized whether real property or investment property. Suggested example:

a) Retirement accounts

b) Underutilized out lots, building, housing, etc. of current residence.

c) Real estate with a market value in excess of **\$190,000**. An (IVY) is calculated for other long term assets and added to the applicants' reported income.
(Total Investment Value x Stated Interest Rate=Investment Value Yield (IVY))

2) The Total Household Income calculation includes the applicants' total income and assets determined from information requested above (see Part B (3)) plus the (IVY) determined from Part F (1). Submit all appropriate documents needed to verify the application.

(Income + Investment Value Yield = Total Household Income (THI))

3) Total Household Income is compared to the current Township Poverty Income Schedule (see Part C) adopted by the Township Board. Note: The WBT schedule (Asset Test) is higher than the Federal Poverty Income Schedule and therefore meets the requirements of amended P.A. 390 of 1994.

4) Preliminary Property Tax Amount is calculated by multiplying the Total Household Income (see Part F (2)) at a minimum of three percent (3%).

Total Household Income (THI) x 3%=Preliminary Property Tax Amount (PPTA)

5) Final adjusted Property Tax Assessment is calculated by totaling the Preliminary Property Tax Amount and the calculated homestead property tax credit amount to produce the amount available for the property tax assessment.

PPTA + MI-1040CR Property Tax Credit = Final Property Tax Assessment (FPTA)

6) The difference between the original assessment, and the final adjusted assessment calculated in Part (5) represents the Value of the Poverty Exemption.

The review process may require additional information to determine eligibility.