

Raisin Charter Township
2018 GUIDELINES FOR POVERTY EXEMPTION REVIEW

A. General Overview

The Board of Review of the Raisin Charter 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 Board of Review further recognizes that, pursuant to statute, as well as case law, they must adopt procedures and guidelines, approved by Township Board, to be used as standards when considering appeals made based on financial hardship. The Board of Review understands that these guidelines must be adhered to when reviewing hardship appeals, and reserves the right to make individual considerations within their authority, as they feel necessary. All information in the application is subject to verification from the Board of Review or Assessors Office.

Any application submitted that is inaccurate or not fully completed will result in a denial of the appeal.

B. Basic Filing Requirements

In order to be considered for exemption under MCL 211.7u each applicant must:

- 1.** Own and occupy the property as a homestead, defined by law, for which the request is being made. This may include vacant, contiguous property as long as it is considered part of the principal homestead.
- 2.** Complete and submit an **Application for Property Tax Relief** obtained from the Raisin Charter Township Office.
- 3.** Submit income verification as required. This must include a copy of Federal and State Income Tax Returns, State Homestead Property Tax Credit Forms, or any additional information requested by the Board of Review.

NOTE: P.A. 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed 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. This does include the owner of the property who is filing for the exemption.

C. Processing Applications

Once an **Application for Property Tax Relief** is completed and returned to the Township Supervisor at the Raisin Charter Township Office, it will be reviewed.

After the above referenced information is reviewed, the entire packet will be submitted to the Board of Review to be considered for tax relief in a work session. 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.

D. Special Circumstances, Active Military Head of Household Exemption

In instances where the head of household wage earner is a member of the National Guard Reserves and is called to active military duty, a poverty exemption may be granted. To be eligible for a full or partial poverty exemption, the wages must fall within an income level not greater than twice (x2) the Federal Poverty Guidelines. The eligibility will be determined following analysis of qualifying income vs. expenses in the initial application. The time period allowed for the poverty exemption relief would be restricted to no more than three (3) years of active duty. Application for the exemption must be made each year.

E. 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 however these guidelines shall assist the Board of Review in their decisions.

Income guide, as adopted annually by Raisin Charter Township Board, based on Federal Income Levels provided:

STC Bulletin No. 24 of 2017, Changes for 2018, November 28, 2017.

Size of Family Unit	2018 Federal Poverty Guideline	2018 Raisin Township Approved Poverty Guideline
1	\$ 12,060	\$ 13,869
2	\$ 16,240	\$ 18,676
3	\$ 20,420	\$ 23,483
4	\$ 24,600	\$ 28,290
5	\$ 28,780	\$ 33,097
6	\$ 32,960	\$ 37,904
7	\$ 37,140	\$ 42,711
8	\$ 41,320	\$ 47,518
For each additional person	\$ 4,180	\$ 4,807

NOTE: The Poverty Guideline for Raisin Charter Township was adopted on 12/26/2017. The Township Board adopted a **15%** increase above the Federal Poverty Guideline.

F. 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 following assets shall be considered when applying an asset test to determine qualification for property tax relief:

1. The value of all **“liquid” assets** of the applicant (excluding the value of the principal residence subject to the exemption request) shall not exceed **two (2)** times the estimated annual property tax obligation of the current assessment.

Examples of “liquid” assets may include, but is not limited to, the cash value of life insurance policies, pensions, IRA’s mutual funds, bonds or stocks as well as money market accounts, savings accounts, or checking accounts.

2. The value of the **total assets** of the applicant (excluding the value of the principal residence subject to the exemption request) shall not exceed **ten (10)** times the estimated annual property tax obligation of the current assessment.

NOTE: A land footprint of more than 3 acres will be considered an asset.

Total assets may include, but is not limited to, cars, recreational vehicles*, real estate that is not the homestead (including rental properties and vacant properties), and other personal property of value.

*note: Recreational vehicles may include snowmobiles, boats, camping or travel trailers, motor home, jet ski, motorcycles, ORV’s, or anything which may be considered a recreational vehicle.

All asset information, as requested in the **Application for Property Tax Relief** 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 reject any application if assets are not properly identified.

G. Summary

In conclusion, the Board of Review and the Township Supervisor by vote has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review and the Township Supervisor for Raisin Charter Township takes this task seriously and attempts to provide relief to all deserving residents within the Township.

The estimated property tax liability will be determined for the applicable tax year and the estimated State homestead credit for each applicant. The exemption shall not exceed the tax liability minus the homestead credit refund. (Example: if the tax liability is \$1,000 and the homestead credit is \$300, the exemption shall not exceed \$700.)

The Board of Review and the Township Supervisor may deny any appeal, and/or regardless of income, and/or 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.