

# CITY OF OWOSSO

2020

## PROPERTY TAX POVERTY EXEMPTION POLICY & GUIDELINES

### POLICY

The City of Owosso will grant partial exemptions due to poverty according to Section 211.7u of the Michigan Compiled Laws. ***Property Tax Poverty exemptions must be applied for each year***, after January 1st, but one day prior to the last day of the December Board of Review.

The Assessor and the Board of Review will apply the guidelines as adopted by the City uniformly to all applicants without prejudice and shall not deviate from the adopted guidelines without substantial and compelling reasons. Any such deviation shall be communicated in writing to the applicant. (211.7u).

The Assessor's office will determine the estimated property tax liability for the applicable tax year and the estimated State homestead credit for each applicant. The exemption shall not exceed the tax liability minus the estimated homestead credit refund received during the current tax year. (Example: if the tax liability is \$1000 and the homestead credit received in the current tax year is \$300, the exemption shall not exceed \$700.)

**The Board of Review may** deviate from the above policy where there are substantial and compelling reasons and such substantial and compelling reasons are communicated in writing to the City Council and the claimant (211.7u).

### GUIDELINES

#### **The applicant shall:**

- Be the owner and occupy the principal residence the property for which an exemption is applied (211.7u).

- File a claim (application) on the form provided by the City Assessor's office. The filing of a claim constitutes an appearance before the Board of Review for the purpose of preserving the claimant's right to appeal (211.7u). **The application form shall be fully completed.**

- Sign the application at the Assessor's office when the application is returned. If the applicant cannot personally return the application, a notarized application is acceptable.

- Supply a copy of federal and state income tax returns for **all** persons residing in the homestead, including any property tax credit returns, filed in the immediately preceding or in the current year (211.7u) and/or, affidavit, (Treasury Form 4988), **must** be filed by **all** persons residing in the residence that are not required to file a federal and/or state income tax return.

- Supply a copy of proof of income for the most recent one-month period for **all** household members (current pay stubs, benefit statement, etc.)

- Supply identification, proof of residency and ownership if requested by the Assessor or Board of Review (211.7u).

**If the applicant fails to supply all the required documents or if it is found that the information supplied is fraudulent, the application shall be denied.**

### **Income Test**

Applicant's income shall not exceed the federal poverty income thresholds as defined and determined annually by the U.S. Department of Health and Human Services. The most recent available income guidelines will be used.

(See attached defined income)

#### 2020 Income Standards Poverty Threshold

Number of persons residing in homestead	Annual allowable income
1 person	\$18,160.
2 persons	\$20,760.
3 persons	\$23,360.
4 persons	\$25,920.
5 persons	\$30,170.
6 persons	\$34,590.
7 persons	\$39,010.
8 persons	\$43,430.
Each additional person, add	\$4,420.

Income of students under the age of 18 years, **shall not** be included as income

### **Asset Test**

The value of property in **excess** of what is considered part of the original homesteads minimum zoning required footprint for that home shall be considered an asset.

According to the MTT Small Claims Division Docket 236230, 8/13/1997, the MTT views the asset test to be: ***an indication of funds available which may be used to pay one's taxes....and not the inclusion of equity in one's home.***

Assets include, but are not limited to: real estate other than principal residence minimum footprint, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, federal assistance, etc. For purposes of this paragraph, the Board of Review shall consider the value of the assets and shall not reduce such value by any indebtedness owed on such assets, or indebtedness otherwise owed by the applicant(s).

Assets, (except the original homestead and minimum zoning required footprint, essential household goods and the first \$5,000 of the market value of a motor vehicle), shall not exceed \$4,000 (four thousand) dollars for individual applicant and/or \$6,000 (six thousand) dollars per household if more than one financial contributor.

The Bureau of the Census defines income to include the following:

1. Money wages and salaries before any deductions.
2. Net receipts from non-farm self-employment. These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses.
3. Net receipts from farm self-employment. These are receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses.
4. Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, workers' compensation, veterans' payments, public assistance (including Aid to Families with Dependent Children, Supplemental Security Income, Emergency Assistance money payments, and non-Federally-funded General Assistance or General Relief money payments).
5. Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.
6. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
7. College or university scholarships, grants, fellowships, and assistantships.
8. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Income does not include the following:

1. Money received from the sale of property such as stocks, bonds, a house, or a car unless a person is in the business of selling such property.
2. Withdrawals of bank deposits and borrowed money.
3. Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments.
4. Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
5. Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches.

**CITY OF OWOSSO**  
Property Tax  
**POVERTY EXEMPTION APPLICATION**

I, \_\_\_\_\_, being the owner and resident of the property listed below, desire to apply for Tax Relief under Section 7u of the Michigan General Property Tax Act: The Principal Residence of person(s) who, in the judgement of the Assessor and Board of Review, by reason of poverty, are unable to contribute toward the public charges, are eligible for exemption from taxation per MCL 211.7u(1).

**In order 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) included ALL required documentation as listed within the application. Please write legibly and attach additional pages as necessary.**

**PROPERTY & APPLICANT INFORMATION**

Parcel Number: 050-\_\_\_\_\_  
Address: \_\_\_\_\_ Phone No: \_\_\_\_\_  
Marital Status (Check One):    Married \_\_\_            Single \_\_\_            Separated \_\_\_  
                                                 Divorced \_\_\_            Widow \_\_\_            Widower \_\_\_  
Age of Applicant: \_\_\_\_\_  
Is this property your homestead (primary residence)? \_\_\_\_\_  
How long have you lived at this address? \_\_\_\_\_

**DO YOU OWN, OR ARE YOU BUYING, ANY OTHER PROPERTY? YES\_ NO\_  
IF YES, LIST.**

Property Address	Assessed Value	Joint Ownership?
_____	_____	_____
_____	_____	_____

**EMPLOYMENT INFORMATION**

Name of Employer: \_\_\_\_\_  
Address of Employer: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Employer Phone Number: \_\_\_\_\_

**INCOME INFORMATION**

You **must** list **all** sources of income including salaries, social security, rents, interest income, pension, unemployment, workman’s comp, child support, alimony, claims & lawsuits, income tax refunds, military benefits, college scholarships and any other income whether taxed or untaxed.

Source	Amount	Per (week, month, year, etc.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
		Total Per Year _____
	<b>OR</b>	Total Per Month _____

**ASSET INFORMATION**

**Bank Accounts & Savings (List All Accounts Separately):**

Please provide a copy of the most recent bank statement for each account.

Name of Bank, Savings & Loan or Credit Union	Amount On Deposit Now	In Whose Name Is The Account?
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Savings Bonds (List each separately):**

Bond _____	Current Value _____
Bond _____	Current Value _____

**Stocks, Bonds, Mutual Funds, Mortgages, Land Contracts Held, Etc. (List each separately):**

Current Value _____	Dividends & Interest Received in Previous Year _____
Current Value _____	Dividends & Interest Received in Previous Year _____
Current Value _____	Dividends & Interest Received in Previous Year _____

**Life Insurance Policies:**

Person(s) Insured _____	Current Cash Value _____
Person(s) Insured _____	Current Cash Value _____

**Cars, Trucks, Motorcycles, Boats, Trailers, ATV's, Snowmobiles Etc.:**

	#1	#2	#3	#4
<b>Make</b>				
<b>Model</b>				
<b>Year</b>				
<b>Mileage</b>				
<b>2 door/4 door</b>				
<b>Estimated Value</b>				
<b>Balance Owed</b>				

**Federal Non-Cash Benefits, such as Bridge Card/Food Stamps, DHS Assistance (attach copies):**

Type: \_\_\_\_\_ Amount \_\_\_\_\_ per (week/month) \_\_\_\_\_  
 Type: \_\_\_\_\_ Amount \_\_\_\_\_ per (week/month) \_\_\_\_\_

**Other Assets held as investments (Antiques, Collectibles, Coins, Gems, etc.):**

Type \_\_\_\_\_ Year \_\_\_\_\_ Estimated Value \_\_\_\_\_

**HOUSEHOLD INFORMATION**

List All Persons Living at Your Address (or college students) and How They Contribute to Your Income and/or Bills:

<u>Name</u>	<u>Age</u>	<u>Relationship</u>	<u>Monthly Financial Contribution</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**MONTHLY EXPENSE INFORMATION**

Heating: \_\_\_\_\_ Electric: \_\_\_\_\_ Water: \_\_\_\_\_ Phone: \_\_\_\_\_

Cable: \_\_\_\_\_ Satellite: \_\_\_\_\_ Internet: \_\_\_\_\_ Insurance: \_\_\_\_\_

Garbage: \_\_\_\_\_ Food: \_\_\_\_\_ Clothing: \_\_\_\_\_ Daycare: \_\_\_\_\_

Other (Type): \_\_\_\_\_ Other (Type): \_\_\_\_\_ Other (Type): \_\_\_\_\_

**OTHER INFORMATION**

Is anyone not living with you (friend, relative, etc.) contributing to the household income or helping to pay your expenses? If yes, explain:

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Do you plan or anticipate any changes in your living arrangements or financial situation in any way this year? If yes, explain:

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Please add any other information that you feel is important to this application.

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**Application Required Documents Checklist:**

- \_\_\_ Proof of Identity (driver’s license, pictured identification, etc.)
- \_\_\_ Proof of ownership (deed, contract, etc.)
- \_\_\_ Proof of Income (most recent one month period – pay stubs, benefit statements, etc.)
- \_\_\_ Copies of self-employment documents (checks, receipts)
- \_\_\_ Copies of unemployment compensation
- \_\_\_ Copy of most recent bank statement(s)
- \_\_\_ Federal Income Tax Return (previous year) or Poverty Exemption Affidavit if filing is not required.
- \_\_\_ State Income Tax Return (previous year) or Poverty Exemption Affidavit if filing is not required
- \_\_\_ Copies of non-cash benefits such as Bridge Card / DHS assistance
- \_\_\_ Copy of child/spousal support letter

**Notice:** Any willful misstatement or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

**Notice:** Per MCL 2117u(2b), a copy of all household members Federal Income Tax returns, State Income Tax returns (MI-1040) and Homestead Property Tax Credit claims (MI-1040CR 1, 2, 3 or 4) must be attached as proof of income or a signed Form 4988, Poverty Exemption Affidavit. Documentation for all income sources including, but not limited to, credits, claims, Social Security income, child support, alimony income, and all other income sources must be provided at time of application.

**Petitioners:** Do not sign this application until witnessed by the Assessor, Board of Review, or Notary Public.

I certify that the above information is true and correct to the best of my knowledge and that neither I, nor any household member residing within the principal residency, have money, income or property other than mentioned herein. If it is found that the information I supplied is fraudulent or misrepresented in any way, my application will be denied.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Subscribed and sworn this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**Must be signed by, and in front of, Assessor, or Board of Review Member, or Notary Public:**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_ Position \_\_\_\_\_

My Notary Commission Expires \_\_\_\_\_

**IF YOU HAVE ANY QUESTIONS OR NEED HELP FILLING OUT THIS APPLICATION, PLEASE FEEL FREE TO CALL THE ASSESSING OFFICE MONDAY-FRIDAY 9:00 AM TO 5:00 PM AT 725-0530.**



## 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

\_\_\_\_\_  
Date