

**CITY OF OWOSSO**  
**2017**  
**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.***

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 occupant of the homestead 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 Commerce or 40% of the median income for Shiawassee County as provided by the State of Michigan Housing Development Authority, whichever threshold is higher. The most recent available income guidelines will be used. (See attached defined income)

2017 Income Standards Poverty Threshold

Number of persons residing in homestead	Annual allowable income
1 person	14,800.
2 persons	16,920.
3 persons	20,160.
4 persons	24,300.
5 persons	28,440.
6 persons	32,580.
7 persons	36,730.
8 persons	40,890.
Each additional person, add	5,200.

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, 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 Homestead property of persons who, in the judgement of the Assessor and Board of Review, by reason of poverty, are unable to contribute toward the public charges, are exempt from taxation under this act).

**IF JOINT APPLICATION, YOU MUST PROVIDE THE FOLLOWING INFORMATION FOR BOTH PARTIES:**

**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?
_____	_____	_____
_____	_____	_____

**BANK ACCOUNTS & SAVINGS (List All Accounts Separately)**

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

## OTHER ASSETS

### Motor Vehicles (Including Motorcycles, Motor Homes, etc):

Make \_\_\_\_\_ Year \_\_\_\_\_ Value \_\_\_\_\_

Make \_\_\_\_\_ Year \_\_\_\_\_ Value \_\_\_\_\_

Make \_\_\_\_\_ Year \_\_\_\_\_ Value \_\_\_\_\_

### Other (Boats, Travel Trailers, ATV's, Snowmobiles, Antiques, Etc.):

Type \_\_\_\_\_ Value \_\_\_\_\_ Type \_\_\_\_\_ Value \_\_\_\_\_

Type \_\_\_\_\_ Value \_\_\_\_\_ Type \_\_\_\_\_ Value \_\_\_\_\_

### 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 \_\_\_\_\_

## HOUSEHOLD INFORMATION

### List All Persons Living at Your Address (or college students) and How They Contribute to Your

#### Income and/or Bills:

Name	Age	Relationship	Monthly Financial Contribution
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## 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 and any other income whether taxed or untaxed.

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

## 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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Do you expect any Federal or State Income Tax refunds for the current year? \_\_\_\_\_

If yes, what is the amount of the refund? \_\_\_\_\_

Did you apply for the Homestead Property Tax Credit for the current year? \_\_\_\_\_

If yes, what is the amount of the credit? \_\_\_\_\_

Did you apply for the Homestead Property Tax Credit for the previous year? \_\_\_\_\_

If yes, what was the amount of the credit? \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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**Application Required Documents Checklist:**

- \_\_\_ 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
- \_\_\_ Property Tax Credit Return (previous year)
- \_\_\_ Proof of Income (most recent one month period – pay stubs, benefit statements, etc.)
- \_\_\_ Proof of Identity (drivers license, pictured identification, etc.)
- \_\_\_ Proof of ownership (deed, contract, etc.)

I certify that the above information is true and correct to the best of my knowledge and that if it is found that the information I supplied is fraudulent or misrepresented in any way, my application **will be denied.**

Signature \_\_\_\_\_

Date \_\_\_\_\_

***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.***