

CITY OF ECORSE
2023 Poverty Exemption
Policy, Guidelines and Application

Section 211.7u(1) of the Michigan General Property Tax Act indicates that "the principal residence of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act."

On January 10, 2023 the City of Ecorse City Council adopted a Poverty Exemption Policy that includes: Poverty guidelines, and an asset & income test. Income levels shall be updated annually. The Board of Review shall follow the City of Ecorse's policy when granting or denying an exemption. If a person meets all eligibility requirements, 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% reduction in taxable value.

A taxpayer who files for a poverty exemption at the March Board of Review is not prohibited from also filing a valuation appeal at the March Board of Review. A taxpayer may also file a poverty exemption application with the July or December Board of Review. Poverty exemption denials may be appealed to the Michigan Tax Tribunal.

Requirements:

1. All applicants must annually file a completed application form and all required documentation with the City of Ecorse Assessing Department. The application and supporting documentation must be submitted on or after January 1, 2023, but before the December Board of Review which meets on December 12, 2023. Handicapped or disabled applicants may call the Assessing Department at (313) 386-2520 to make arrangements for assistance.
2. All applicants **MUST** provide a complete, signed Federal Income Tax return **AND** State Income Tax return, including the Homestead Property Tax Credit (MI-1040CR), that was filed in the current year (in 2023 for 2022 taxes)

• *(or immediately preceding year (in 2022 for 2021 taxes, if 2022 taxes have not yet been filed),*

for all persons residing in the principal residence. If the applicant(s) is not required to file a Federal or State Income Tax return, a signed Poverty Exemption Affidavit (attached) **MUST** be provided along with the Homestead Property Tax Credit (MI-1040CR) form.

3. In accordance with PA 390 of 1994, the applicant must meet the "Asset Guidelines" adopted by the City of Ecorse City Council (attached).
4. The applicant must meet the Federal Poverty Income Guidelines (attached).

Failure to meet the requirements or submission of an incomplete application will result in a denial of the poverty exemption.

Asset Guidelines Used in the Determination of Poverty Exemptions for 2023

As required by PA 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 purpose of an asset test is to determine the resources available (cash and fixed assets and property that could be converted to cash that could be used to pay property taxes in the year the poverty exemption is filed.

The following asset test shall apply to all applications for poverty exemption:

- The applicant shall not have "**liquid**" (cash) assets, excluding the value of the principal residence subject to the exemption request, in excess of **two** (2) times the amount of the estimated tax obligation of the current assessment. For example, if the tax obligation is \$3,000, the maximum liquid assets amount would be \$6,000 (\$3,000 x 2).
- The applicant shall not have other **total** assets (fixed assets or other property, excluding the value of the principal residence subject to the exemption request) in excess of **ten** (10) times the amount of the estimated tax obligation of the current assessment. For example, if the tax obligation is \$2,000, the maximum total other assets is \$20,000 (\$2,000 x 10).

Assets greater than what is stated above will result in a denial of the poverty exemption.

All asset information, as requested in the Application for Poverty Exemption, 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 deny an application if the assets are not properly identified.

Cash and other assets may include but are not limited to:

- Bank accounts
- Stocks and bonds, pensions, IRAs and other investment accounts
Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Money received from the sale of property such as stocks, bonds, a house or a car unless a person is in the specific business of selling such property
- Second home, rental property, or building/property other than the residence
- Excess or vacant land
- Extraordinary automobiles
- Jewelry, antiques or artworks
- Recreational vehicles*
- Equipment or other personal property of value
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms

* *Recreational vehicles may include snowmobiles, boats, camping trailers, travel trailers, motor home, jet ski, motorcycles, off road vehicles, or anything which may be considered a recreational vehicle.*

Income Guidelines Used in the Determination of Poverty Exemptions for 2023

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemptions and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than \$23,030 which is the amount shown on the following chart for a family of 3 persons.

Below are the federal poverty guidelines updated annually in the federal register by the US Department of Health and Human Services which were adopted in 2022. The City of Ecorse will follow these guidelines for establishing 2023 poverty exemptions:

Size of Family Unit	Poverty Guidelines
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For each additional person	\$4,720

Income greater than what is stated above, per household size, will result in a denial of the poverty exemption.

The income guidelines shall include, but are not limited to, the annual income for the person claiming the exemption and all persons living in the principal residence.

Income includes:

- Money, wages, salaries before deductions, and regular contributions from persons not living in the residence
- Net receipts from non-farm and farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, and supplemental security income (SSI)
- Alimony, child support, military family allotments
- Private and governmental retirement and disability pensions, regular insurance, annuity payments
- College or university scholarships, grants, fellowships, and assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

Meeting the income levels of the City policy does NOT guarantee the approval of a poverty exemption. Income and assets are reviewed by the Board of Review in the decision-making process.

Reduction Calculation

Public Act 253 of 2020 amended MCL 211.7u related to poverty exemptions. PA 253 of 2020 lists the 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 50% reduction in taxable value for the year in which the exemption is granted; or
- 3) 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 following depicts the taxable value reduction granted to the eligible applicant for 2023 poverty exemptions:

Family Unit Size	Income (federal limit)	100% exemption			50% Taxable Value exemption			25% Taxable Value exemption		
		\$0	to			to			to	
1	\$13,590	\$0	to	\$6,795	\$6,796	to	\$10,192	\$10,193	to	\$13,590
2	\$18,310	\$0	to	\$9,155	\$9,156	to	\$13,732	\$13,733	to	\$18,310
3	\$23,030	\$0	to	\$11,515	\$11,516	to	\$17,272	\$17,273	to	\$23,030
4	\$27,750	\$0	to	\$13,875	\$13,876	to	\$20,812	\$20,813	to	\$27,750
5	\$32,470	\$0	to	\$16,235	\$16,236	to	\$24,352	\$24,353	to	\$32,470
6	\$37,190	\$0	to	\$18,595	\$18,596	to	\$27,892	\$27,893	to	\$37,190
7	\$41,910	\$0	to	\$20,955	\$20,956	to	\$31,432	\$31,433	to	\$41,910
8	\$46,630	\$0	to	\$23,315	\$23,315	to	\$34,972	\$34,973	to	\$46,630

* \$4,720 For each additional person

Income greater than what is stated above, per household size, will result in a denial of the poverty exemption.

APPLICANT CERTIFICATION

Please initial EACH applicable statement:

_____ I/We declare that the statements made herein are complete, true and correct to the best of my/our knowledge. Any willful misstatements or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

_____ I/We also understand that this application will be DENIED if the information contained within is found to be false or incomplete.

_____ I/We understand that if any information contained herein is found to be false or incomplete, any and all relief granted by this application will be forfeited and placed back on the assessment roll with **penalties and interest** occurring on the additional tax liability in accordance with Section 211.119 of the Michigan Compiled Laws.

_____ I/We understand this application for exemption is **ONLY** for the tax year of 2023.

_____ I/We have received a copy of and understand the 2023 Poverty Exemption Policy and Guidelines.

_____ I/We certify that I/We **DID** file a State or Federal Income Tax Return (1040 or MI-1040) and Michigan Homestead Property Tax Credit (MI-1040CR) for the tax year 2022 (or 2021, if 2022 have not yet been filed) and included a copy with this application, **OR** I/We have completed and included the Poverty Exemption Affidavit.

_____ I/We hereby authorize the City of Ecorse Assessing Department to verify and or obtain information from any creditor, financial institution, government agency, insurance company or any other organization necessary for the purpose of this application of Poverty Exemption for the tax year of 2023.

Applicant Signature: _____ Date: _____

Spouse Signature: _____ Date: _____

Name of Preparer if other than applicant: _____
(Please Print)

WAIVER OF CONFIDENTIALITY

Parcel ID Number: _____

Property Address: _____

I/We, hereby consent to the examination of all submitted documents as well as the tax returns and any other related financial documents required to determine eligibility for tax relief, including but not limited to all those listed below:

- Federal Income Tax Returns
- Michigan Income Tax Returns
- Principal Residence Exemption Form
- Social Security Administration Statements

by the City of Ecorse Assessing Department staff, their designated agent, the members of the City of Ecorse Board of Review, and the State of Michigan Tax Tribunal authority. I further consent to any discussion of the information contained in this application at a duly convened public meeting of the City of Ecorse Board of Review.

By signing this Waiver of Confidentiality, I/We understand and acknowledge that I/We am forever giving up any and all possible claims that I/We may have related to the disclosure of information contained in said tax returns and related documents, for which claims may arise pursuant to Internal Revenue Code Section 6103, and/or any other federal, state, or local statute or regulation.

I/We do hereby certify that I/We have read and understand the contents of this document in its entirety and have signed it of my/our own free will.

Print Name

Print Name

Signature

Signature

Date

Date

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

CHECK LIST
2023 POVERTY EXEMPTION ATTACHMENTS
*(Please submit **copies only**- not originals)*

THIS COMPLETED CHECK LIST MUST BE RETURNED WITH THE POVERTY EXEMPTION APPLICATION

Note: Provide copies of the following as proof for all occupants living in the home even if not contributing to household income or expenses.

- _____ Timely filed and fully complete and signed Poverty Exemption Application.
- _____ Copies of 2022 Federal Income Tax Return (or completed Poverty Exemption Affidavit if not required to file income tax returns)
- _____ Copies of 2022 Michigan Income Tax Return (or completed Poverty Exemption Affidavit if not required to file income tax returns)
- _____ Copy of 2022 Michigan Homestead Property Tax Credit Claim (MI-1040CR)
- _____ Copies of 2022 W-2 Forms, Social Security Statements (SSA-1099), Disability Statement or similar income verification for all household members
- _____ Copies of statements from additional income sources including unemployment, alimony, child support, ADC, Food Stamps, etc.
- _____ Copies of statements for checking account, savings account, certificate of deposit (CD's), stocks, bonds, pension (IRA, 401, etc.) account or any other asset/retirement account
- _____ Copies of valid State of Michigan Driver License or similar form of identification for all members of the household
- _____ Copy of 2022 mortgage/equity loan payment verification showing the current loan balance and principal and interest payment amounts. If mortgage/equity loan was obtained in the last two (2) years, a copy of the mortgage application is required
- _____ Copies of State of Michigan Registration for **all** vehicles in the household
- _____ Copy of proof of property ownership (Deed, Land Contract, etc.)
- _____ Completed Applicant Certification form
- _____ Completed Waiver of Confidentiality form

Reset Form

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

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) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.				
Petitioner's Name			Daytime Phone Number	
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents	
Property Address of Principal Residence		City	State	ZIP Code
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit		
PART 2: REAL ESTATE INFORMATION				
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.				
Property Parcel Code Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
PART 3: ADDITIONAL PROPERTY INFORMATION				
List information related to any other property owned by you or any member residing in the household.				
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.			Amount of Income Earned from other Property	
1	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

PART 4: EMPLOYMENT INFORMATION — List your current employment information.					
Name of Employer					
Address of Employer		City	State	ZIP Code	
Contact Person		Employer Telephone Number			
PART 5: INCOME SOURCES					
List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.					
Source of Income				Monthly or Annual Income (indicate which)	
PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION					
List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.					
Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment	
PART 7: LIFE INSURANCE — List all policies held by all household members.					
Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured
PART 8: MOTOR VEHICLE INFORMATION					
All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.					
Make	Year	Monthly Payment	Balance Owed		

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 10: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION

The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

NOTICE: Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date

This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing MI 48909

Phone: 517-335-9760
E-mail: taxtrib@michigan.gov