

**CITY OF IONIA  
ASSESSING DEPARTMENT  
IONIA, MI 48846  
616-523-0146**

## **POVERTY EXEMPTION APPLICATION FOR 2020**

(UNDER MCL 211.7u - NEW REQUIREMENTS)  
**INCOME STANDARDS FOR 2020**

*It is recommended that you read this application before you fill it out. In some instances you may not qualify.*

### **NEW POVERTY EXEMPTION REQUIREMENTS EFFECTIVE 1994**

PA 390 of 1994 states that the poverty exemption shall not be granted to property owned by a corporation.

Starting 1995, PA 390 of 1994 states that the **governing body** of the local assessing unit shall determine the policies and guidelines that the local assessing unit will use when deciding whether to grant poverty exemptions.

PA 390 requires that the poverty exemption guidelines include the asset levels of the entire household. The determination of the amount of the asset levels is left to the discretion of the local governing body. Local governing bodies are required by the Act to set income and asset levels for their poverty exemption guidelines.

In order to qualify for the poverty exemption, the claimant must meet **all** of the tests set by the local governing body.

PA 390 requires that local assessing units make available to the public their policies and guidelines for the granting of poverty exemptions. The Board of Review shall follow the policies and guidelines of the local assessing unit when granting or denying a poverty exemption. The same standards shall apply to each claimant in the unit for the assessment year.

PA 390 requires that the poverty exemption guidelines set by the governing body of the local assessing unit include income and asset level. The Act further requires that the income levels NOT be set lower than the federal poverty income standards.

### **PARTIAL POVERTY EXEMPTIONS:**

Beginning in 1995, PA 390 of 1994 authorizes partial poverty exemptions. A partial poverty exemption is an exemption of only a part of the taxable value of the property rather than the entire taxable value.

**FILING FOR THE POVERTY EXEMPTION:**

In order to be eligible for the poverty exemption, the claimant must do all of the following **on an annual basis**:

- 1) Own and occupy as a homestead the property for which the exemption is requested.
- 2) File a Claim with the supervisor/assessor or board of review after January 1, but before the day prior to the last day of the Board of Review on a form provided by the local assessing unit.
- 3) Provide Federal and State income tax returns for all persons residing in the homestead including any property tax credit returns. **In order to be approved for the poverty exemption you must provide the previous years Federal and State income tax returns if you are required to file.**
- 4) Produce a valid driver's license or other form of identification if requested.
- 5) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is being requested, if requested.
- 6) Meet the federal poverty income standards adopted by the governing body of the local assessing unit.
- 7) Meet the asset levels set by the governing body of the local assessing unit.

A claimant may Request a Poverty Exemption and Appeal the Property's Assessment to the March of Review.

**If your household income and/or assets exceed the guidelines set forth on the attached pages you are NOT eligible for a POVERTY EXEMPTION.**

## APPLICATION

Please fill out the following forms to be considered for a poverty exemption by the City of Ionia Board of Review.

### Hardship Exemption Application

I, \_\_\_\_\_, being the owner and resident of the property listed below, apply for tax relief under MCL 211.7u of the General property Tax Act, (the real and personal property 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, are exempt from taxation under this act).

Property Code Number \_\_\_\_\_

Property Address: \_\_\_\_\_ Phone ( ) \_\_\_\_\_

Marital Status: \_\_\_\_\_

Age of Applicant: \_\_\_\_\_ Age of Spouse: \_\_\_\_\_

Number of Dependents: \_\_\_\_\_ Age of Dependents: \_\_\_\_\_

Have you applied for Homestead Property Tax Credit this Year? \_\_\_\_\_

How much was your Property Tax Credit? \_\_\_\_\_

I also swear that this property is my, "Homestead Property or qualified agricultural property," as defined in MCL 211.dd.

Social Security Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

ATTACH A COPY OF 1040 CR AND FEDERAL OR STATE INCOME TAX RETURN.



Total Gross Annual Income from Column "A": \_\_\_\_\_

**EXPENSE SUMMARY**

REAL ESTATE: Do you own, or are you buying any other property besides your residence?

\_\_\_\_\_  
If so, list below:

**(Column B)**

Property Address	City	Assessed Value	Total Annual P & I & Tax Payment

PERSONAL DEBTS: **(Column B)**

Creditor	Purpose of Debt	Date of Debt	Original Balance	Balance Owed	Annual Payments

AVERAGE ANNUAL EXPENSES:

**(Column B)**

Type	Annual Cost
Utilities (water,sewer,gas,elec)	
Food	
Phone	
Clothing	
Auto Expense	
Insurance	

Total Annual Expenses from Column "B": \_\_\_\_\_

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(Subtract Total of Column B from Total of Column A to Determine Net Income)

**Net Income:** \_\_\_\_\_

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**ASSEST SUMMARY**

SAVINGS AND INVESTMENTS: List all savings owned by you or your spouse, including savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds or similar investments.

**(Column C)**

<b>Name of Financial Institution or Investments</b>	<b>Amount on Deposit</b>	<b>Name on Account</b>	<b>Value of Investment</b>

LIFE INSURANCE: List all policies held by you and your spouse.

**(Column C)**

<b>Insured</b>	<b>Amount of Policy</b>	<b>Amt. Paid Monthly</b>	<b>Paid Up Policy</b>	<b>Name of Beneficiary</b>	<b>Cash Value Of Policy</b>

MOTOR VEHICLES OWNED:

**(Column C)**

<b>Make</b>	<b>Year</b>	<b>Balance Owed</b>	<b>Cash Value</b>	<b>Net Value</b>

OTHER ASSETS: List all other assets and their value that are owned or controlled by you. (For example, boats, coin collection, antiques, silver)

(Column C)

Type of Asset	Value	Owner

**Total Assets From “Column C”:** \_\_\_\_\_

Is the total asset valuation at or below the “Maximum Asset Standards” listed above?

Yes: \_\_\_\_\_ No: \_\_\_\_\_

**FINAL SUMMARY**

1) **Total Gross Income:** \_\_\_\_\_

2) **Total Net Income:** \_\_\_\_\_

3) **Total Assets:** \_\_\_\_\_

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

*NOTICE: a copy of your latest federal income tax return, state income tax return (MI-1040) and your Homestead Property Tax Credit claim (MI-1040CR 1,2,3 or 4) must be attached as proof of income.*

STATE OF MICHIGAN

COUNTY OF \_\_\_\_\_

The undersigned, being duly sworn, deposes and says that the statements made in the foregoing application are true and that he/she has no money, income or property other than mentioned herein.

\_\_\_\_\_  
Petitioner

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

\_\_\_\_\_  
Assessor, Supervisor, Board of Review Member or Notary Public

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FOR BOARD OF REVIEW USE

Disposition by Board of Review                      Date \_\_\_\_\_

Denied: \_\_\_ Approved: \_\_\_ Assessment reduced to \_\_\_\_\_

Supervisor \_\_\_\_\_ Chairperson \_\_\_\_\_ Second Member \_\_\_\_\_ Third Member \_\_\_\_\_

Decisions may be appealed to Michigan Tax Tribunal



Policy No. 1-013  
December 3, 2019  
Council Action

## **PROPERTY TAXES – Poverty Guidelines – 2020**

### **I. PURPOSE**

The purpose of this policy is to set the Poverty Guidelines for assessments and asset guidelines for 2020 pursuant to Public Act 206 of 1893, as amended.

This Public Act provides those in poverty with an exemption from paying property taxes on principal residences, subject to conditions. To meet the exemption requirements there are certain steps that an applicant must follow including filing a claim with and being granted approval of the claim by the Board of Review.

The Public Act requires the City Council to adopt, from time to time, the federal poverty and asset guidelines as updated in the Federal Register by the United States Department of Health and Human Services under authority of Section 673 of Subtitle B of Title VI of Omnibus Budget Reconciliation Act of 1981.

### **II. POVERTY GUIDELINES**

The following poverty guidelines are established for 2020 to be used by the Board of Review in determining compliance with and eligibility under Public Act 206 of 1893:

1 person	\$12,490
2 persons	\$19,910
3 persons	\$21,330
4 persons	\$25,750
5 persons	\$30,170
6 persons	\$34,590
7 persons	\$39,010
8 persons	\$43,430
For Each Additional Person add	\$4,420

### **III. ASSET GUIDELINES**

The following poverty asset guidelines are established for to be used by the Board of Review in determining compliance with and eligibility under Public Act 206 of 1893:

1 person	\$27,358
2 persons	\$33,890
3 persons	\$40,535
4 persons	\$47,052
5 persons	\$53,794
6 persons	\$60,419
7 persons	\$66,954
8 persons	\$73,731
For Each Additional Person add	\$9,216

Revised – December 1, 2009 to incorporate 2010 guidelines

Reaffirmed – December 7, 2010 to re-incorporate 2010 guidelines for 2011

Reaffirmed – December 6, 2011 to incorporate guidelines for 2012

Reaffirmed – December 4, 2012 to incorporate guidelines for 2013

Reaffirmed – December 3, 2013 to incorporate guidelines for 2014

Reaffirmed – December 2, 2014 to incorporate guidelines for 2015

Reaffirmed – December 1, 2015 to incorporate guidelines for 2016

Reaffirmed – December 6, 2016 to incorporate guidelines for 2017

Reaffirmed – December 5, 2017 to incorporate guidelines for 2018

Reaffirmed – December 4, 2018 to incorporate guidelines for 2019

Reaffirmed – December 3, 2019 to incorporate guidelines for 2020

## 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:

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Signature of Person Making Affidavit Date