

Conway Township

8015 N Fowlerville RD, Fowlerville, MI 48836

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Resolution # 230221-2

RESOLUTION: Conway Township Poverty Exemption Policy and Guidelines

WHEREAS: The Township Board desires to approve the adoption of the following Poverty Exemption Guidelines and Asset Level Test language and application (application attached):

CONWAY TOWNSHIP POVERTY EXEMPTION GUIDELINES AND ASSET LEVEL TEST

General Information:

1. The poverty exemption for property taxes under MCL 211.7u is granted on an annual basis. An applicant must submit a new application each year in order to retain eligibility.
2. The poverty exemption is only available for a property used as a principal place of residence (homestead).
3. The poverty exemption is calculated based on the number of "household members" in the applicant's residence, which includes any person listed on the deed, residing in the residence on a full time basis, or any person who could be claimed as a dependent of the applicant on the current year's federal tax return.

Application Process:

1. **Applications for hardship exemptions will be processed at the March, July, and December meetings of the Board of Review. To be considered, applications must be received by the Assessor's office at least 7 days before the start of the meeting at which the application is to be considered.**
2. Applications must be submitted using the State of Michigan forms 5737 and 5739 and 4988. A complete application includes:
 - a. All information requested on the application form.
 - b. A copy of the MI-1040CR form showing the Homestead Property Tax Credit.
 - c. Copies of the prior years' federal and state income tax returns for each household member over 18 years of age. If any such household member is not required to file a federal or state income tax return, an affidavit on Michigan Treasury Form 4988 must be submitted instead.
 - d. Supporting documentation for all income sources reported on the application form (e.g. recent pay stubs, receipts, investment account year-end reports, etc.).

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3. When completing the required forms, it is the applicant's responsibility to provide sufficient information and documentation regarding each item. The Board of Review may ask for additional information and documentation.

Asset Guidelines:

1. "Household assets" include, but are not limited to, the cash value of savings accounts and shares, certificates of deposit, investments such as stocks, bonds, mutual funds, retirement savings (including, without limitation, accrued pension benefits, IRAs, annuities, and 401(k)s), cashable insurance policies, equity in real estate other than the homestead for which the exemption is claimed, equity in recreational motor vehicles, jewelry, coins and other collectables, precious metals, and any non-essential items used in the household (including recreational electronics) purchased within the last 2 years for more than \$500. Any one-time gifts, one-time insurance payments, or lump-sum inheritances received during the previous tax year should be reflected as household assets. Household assets are counted as of the date of application.
2. In general, each household member that is at least 18 years old and no longer a student may own one motor vehicle without having the value of such vehicle count towards household assets. Any additional vehicles owned by household members shall generally be considered recreational motor vehicles (unless the applicant demonstrates that the vehicle is a transportation necessity), and the equity in such vehicles shall be counted toward household assets. Further, if the Board of Review determines that the value of any vehicle owned by a household member is significantly higher than is needed to satisfy essential transportation needs, it may count a portion of the equity in such vehicle toward household assets. For purposes of this paragraph, a vehicle titled in the name of a business owned by an applicant or household member shall be treated the same as a vehicle titled in the name of such individual.
3. The Board of Review shall determine eligibility for a poverty exemption based on the previous years federal poverty guidelines plus 25%.
4. Assets cannot be more than five times your income.

Income Guidelines

1. "Household income" includes all of the following items, as received in the previous tax year (2022):
 - a. Wages and salaries before any deductions.
 - b. Payments or in-kind provision of normal expenses (e.g. meals, insurance, clothing, electronic equipment used at least in part for personal use) by a household member's business or employer.
 - c. Net receipts from non-farm self-employment. These receipts are from a person's own business, professional enterprise, or partnership, after deductions for business expenses.
 - d. Net receipts from farm self-employment. These are receipts from a farm that one operates as an owner, renter, or share cropper, after deductions for farm operating expenses.

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- e. Regular payments from Social Security, retirement plans, unemployment compensation, benefits from union funds, workers compensation, veteran payments, and public assistance.
 - f. Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.
 - g. Private pension receipts, government employee pension receipts (including military retirement pay), and regular insurance or annuity payments, and disbursements from other retirement plans.
 - h. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trust, net gambling or lottery winnings.
2. Household income does *not* include the following:
- a. Food produced for personal consumption.
 - b. Payments or receipts from federal benefit programs such as Medicare, Medicaid, food stamps, and school lunches.
 - c. Income tax refunds.
 - d. Refunds received from the Michigan Homestead Property Tax Credit.
 - e. One-time gifts, one-time insurance payments, or lump-sum inheritances.

Exemption Eligibility and Calculation:

- 1. The Board of Review shall determine eligibility and calculate the amount of hardship exemptions based on the policy and guidelines provided herein.
- 2. The denial of a hardship exemption application may be appealed to the Michigan Tax Tribunal.
- 3. If a person meets all eligibility in stature, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value.

By my name and signature below, I hereby acknowledge that I read and understand the Poverty Exemption Guidelines and Asset Level Test.

Name

Signature

Date