RESOLUTION
CITY OF MEMPHIS
2026 POVERTY EXEMPTION
POLICY & GUIDELINES

WHEREAS, the adoption guideline for poverty exemptions is required of the City Council: and

WHEREAS, the principal residence of persons, who the Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u and MCL 211.53b); and;

WHEREAS, pursuant to PA 390 of 1994, the City of Memphis, Macomb & St. Clair County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all the following on an annual basis:

1) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
2) File a claim with the Board of Review, accompanied by 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 or a signed State Tax Commission Form 4988*, Poverty Exemption Affidavit.*
3) File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
4) Produce a valid driver's license or other form of identification if requested.
5) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
7) The application for an exemption shall be filed after January 1, but one day prior to the last day of the December Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The following are the 2026 Federal Poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

Size of Family Unit	Poverty Guidelines
1	$15,650
2	$21,150
3	$26,650
4	$32,150
5	$37,650
6	$43,150
7	$48,650
8	$54,150
For each additional person	$ 5,500

Applicants who exceed the Federal Poverty Guidelines Used in the Determination of Poverty Exemption as produced annually by the U.S. Department of Health and Human Services may be eligible for consideration based on the following chart.

Persons in Household	Household Income	Board of Review Action
1 = $15,650 + 5%	$0 - $16,433	100% Exemption
$15,650 + 10%	$16,434 - $17,215	75% Exemption
$15,650 + 15%	$17,216 - $17,998	50% Exemption
$15,650 + 20%	$17,999 - $18,780	25% Exemption
	Over $18,780	No hardship relief will be granted
Persons in Household		
2 = $21,150 + 5%	$0 – $22,208	100% Exemption
$21,150 + 10%	$22,209 – 23,265	75% Exemption
$21,150 + 15%	$23,266 – 24,323	50% Exemption
$21,150 + 20%	$24,324 – 25,380	25% Exemption
	Over $25,380	No hardship relief will be granted

For each additional person over 2 in the household, add $5,380 to income levels to determine income qualifications as shown on the Federal Poverty Guidelines Used in the Determination of Poverty Exemptions as provided by the State Tax Commission in an annual Bulletin.

Asset Guidelines Used in the Determination of Poverty Exemptions

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 to the applicant: cash, fixed assets, or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed. The value of the principal residence cannot be included in the asset test. The following asset test shall apply to all applications for poverty exemption:

• The applicant(s) shall not have assets exceeding the amount shown in the chart below based on the size of the family unit.

• The asset Guideline (test) shall exclude the value of the principal residence subject to the poverty exemption request and exclude the value of one automobile. If multiple automobiles are owned, then the least valuable automobile will be excluded from the asset guideline.

• The applicant(s) shall not have total assets (excluding the value of the principal residence subject to the exemption request and excluding the value of one automobile) more than the guidelines set below. Assets exceeding the amounts stated below will result in a denial of the poverty exemption.

Size of Family Unit	Asset Guidelines
1	$5,000
2	$10,000
3	$15,000
4	$20,000
5	$20,000
6	$20,000
7	$20,000
8	$20,000
For each additional person	N/A

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 reject any application if the assets are not properly identified.

Liquid Assets may include but are not limited to:

- Bank accounts
- Stocks and Bonds
- IRA's and other investment accounts
- Pensions
- 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.

In addition, total assets may also include but are not limited to:

- A second home
- Excess or vacant land
- Rental property
- Extraordinary automobiles
- Recreational vehicles*
- Buildings other than the residence
- Equipment
- Other personal property of value
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.

** Recreational vehicles include snowmobiles, boats, camping trailers, travel trailers, motor homes, Jet skis, motor cycles, off road vehicles, or anything else which may be considered a Recreational vehicle.*

APPLICANT: Your application for poverty exemption shall be denied if:

1. Your Application for Tax Exemption is not filled out completely or includes inaccurate information.

2. Savings Account, Checking Account, Investments, Interest Earnings, Dividends or other liquid assets either in total or individually meet or exceed double the amount of the current annual property tax obligation.

3. Applicant does not otherwise meet the asset levels set by the local governing body.

4. Recreational Vehicles* owned or leased in total exceed the amount of the current asset guidelines.

5. Total Household Income exceeds eligibility guidelines as adopted by the City Council.

REQUIRED ATTACHMENTS TO APPLICATION – CHECK LIST
PAGE 1 OF 2

- Provide documents for applicant, spouse, and/or all others that are residing in the household.
- Submit most recent statement/document unless otherwise indicated.
- Statements must be in detail (show balance amount, amount of benefit received, etc)
- Please submit copies only, not originals. Anything submitted will not be returned.
- <u>If one of the items below does not apply then please write "N/A" (not applicable) to indicate the applicant does not have anything to provide for that item.</u>
- This checklist must be returned with the application forms.

_____ Valid Michigan Driver's License or other legal form of photo identification for all persons in the household

_____ Federal Income Tax Return (for 2025 year, filed in 2026) – fully complete, signed, and the version that was filed with the IRS

_____ State Income Tax Return (for 2025 year, filed in 2026) – fully complete, signed, and the version that was filed with the State of Michigan

_____ Homestead Property Tax Credit Claim (MI1040-CR) – fully complete, signed, and the version that was filed with the State of Michigan

*** OR <u>Form 4988 – Poverty Exemption Affidavit</u> if you are not required, by law, to file federal or state income tax forms. ***

_____ Current full credit report for all persons 18 years or older residing in the household

- *Reports that include only the credit score will not be accepted. Full credit reports are available at no cost to the applicant once per year from any of the three credit reporting bureaus: Equifax, Experian, TransUnion. Free credit reports are available at myfreecreditreport.com.*

_____ Bank and/or credit union statements of ALL savings and checking accounts – must be itemized/detailed

- ** 12 consecutive months of most recent statements for **<u>ALL</u>** accounts **

_____ W-2 Statements from employer

_____ Net receipts from self-employment

_____ Social Security statement

_____ Supplemental Security Income (SSI) statement

_____ Worker's compensation statement

REQUIRED ATTACHMENTS TO APPLICATION – CHECK LIST
PAGE 2 OF 2

_____ Pension and/or disability statement

_____ Unemployment benefits statement

_____ Insurance or annuity payment statement

_____ Alimony payment statement

_____ Child support payment statement

_____ ADC / Welfare / Medicare / Medicaid / Food Stamps / Public Assistance Statements

_____ IRA, 401k, or other retirement/investment account statement

_____ Certificates of Deposit statement, Stocks & Bonds information

_____ Mortgage statement

_____ Second mortgage or equity loan statement

_____ If home was purchased within the last two years, a complete copy of the loan application and closing statement

_____ List and current value of other property currently owned

- *Includes but not limited to vacant land, second home, rental property, building/property other than the residence, vehicles not identified on application, recreational vehicles – attach separate page if necessary*

_____ List of regular contributions OR gifts OR loans OR borrowed money from persons not living in the residence

- *in the last 12 months – attach separate page if necessary*

_____ List of dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

- *in the last 12 months – attach separate page if necessary*

_____ List of money received from the sale of property such as stocks, bonds, a house, or a car

- *in the last 12 months – attach separate page if necessary*

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below for department use only

_____ _____

received by: *date:*

Applicant Certification

Applicants, please initial each applicable statement:

_____ I/We have received a copy of and understand the 2026 Poverty Exemption Policy and Guidelines.

_____ I/We understand my/our application and all required attached documentation is examined by the Board of Review at an open meeting and may be further discussed by the Clinton Township Assessing Department staff or designated agent, Board of Review, and Michigan Tax Tribunal and is obtainable by the public as part of the public record.

_____ I/We declare that the statements made herein are complete, true, and correct to the best of my/our knowledge.

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

Applicant Signature: _____ Date: _____

Name of preparer if other than applicant: _____
(please print)

Reset Form

Application and Affirmation 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 where the property is located in each year on or after January 1 but before the day prior to the last day of the board of review. Poverty Exemptions may be heard by the Board of Review during its March, July, and December sessions.

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

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 Identification Number		Name of Mortgage Company
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence
Property Description		

PART 3: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)

☐ I own the property in which the exemption is being claimed.

☐ The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.

PART 4: ADDITIONAL PROPERTY INFORMATION

List information related to any other property owned by you or any member residing in the household.

☐ 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

Continue on Page 2

PART 5: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 6: 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 7: 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 8: 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 9: 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

Continue on Page 3

PART 10: 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 11: PERSONAL DEBT — List all personal debt for all household members.

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

PART 12: 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)

Continue and sign on Page 4

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 13: 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 14: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code

PART 15: 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 30 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
Email: taxtrib@michigan.gov