TOWNSHIP OF COLUMBIA
2020 POVERTY EXEMPTION POLICY & GUIDELINES

Section 211.7u(1) of the Michigan General Property Tax Act defines the poverty exemption as a method to provide relief for those who, in the judgment of the Supervisor and the Board of Review are unable to fully contribute to the annual property tax burden of their principal residence due to their financial situation. The following policy & guidelines were adopted by the Columbia Township Board of Trustees, Resolution.

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1. All applicants must submit a copy of the Federal Income Tax Return (1040 or 1040A), State Income Tax Return (MI-1040), and Homestead Tax Credit (MI-1040CR-4) filed in the immediately preceding year or in the current year **for all persons living in the homestead**. If applicant(s) is not required to file a Federal or State Income Tax return, they must complete and file an Income Tax Exemption Affidavit.
2. All applicants must submit a copy of W-2 Forms, Social Security Statements or similar income verification for all persons living in the homestead.
3. All applicants must fill out an "Application for Hardship Exemption" in its entirety.
4. All applicants must be the owner and resident of the property in which tax relief is filed on. They must provide a driver's license or other acceptable method of identification. They must also provide a deed, land contract, or other evidence of ownership if requested by the Board of Review.
5. Applicant must meet the annually adjusted "Federal Poverty Exemption Guidelines" or alternative guidelines adopted by the Columbia Township Board of Trustees. (attached)
6. All Financial Institution balances will be taken into account. The Board will also consider stocks, bonds, life insurance policies, other real estate owned, vehicles, interest income and any additional assets.
7. Gifts and contributions by all persons whether living in the household or not will be taken into consideration for the purposes of establishing exemption eligibility.
8. Non cash benefits such as Medicaid, WIC, food stamps and school lunches shall be considered as household income for purposes of establishing exemption eligibility.
9. Extraordinary medical expenses may be taken into consideration.
10. The Board of Review shall follow the guidelines of the local assessing unit in granting or denying an exemption unless there are substantial and compelling reasons why there should be a deviation from the guidelines and the substantial and compelling reasons are communicated in writing to the claimant. Any deviation from the guidelines shall require a unanimous vote of the Board of Review and the Township Supervisor or Assessor.
11. In accordance with PA 390 of 1994, the Applicant must meet the "Asset Guidelines" adopted by the Bruce Township Board of Trustees. (attached)
12. A person who files for a poverty exemption is not prohibited from also filing an appeal on the assessment and/or taxable value.

APPLICANT: Your application for poverty exemption **will** 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. If you own, and are receiving rents from other real estate, excluding your homestead.

6. If you own, or are buying, other real estate *i.e. Summer Cottage, Vacant Land (acreage or lot), Camping Lot*.

7. Total Household Income exceeds eligibility guidelines as adopted by the Township Board of Trustees.

** 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.*

TOWNSHIP Of COLUMBIA
2020 GUIDELINES FOR APPLICANTS
REQUESTING CONSIDERATION FOR POVERTY EXEMPTIONS

All applicants must obtain the proper application from the Township Assessor's Office.
Handicapped or disabled applicants may call the Assessor's Office at (586) 752-4585 ext. 200 to make necessary arrangements for assistance.

Applicants may be eligible for consideration if they meet the following poverty guidelines.

PERSONS IN HOUSEHOLD	HOUSEHOLD INCOME	BOARD OF REVIEW ACTION
1	$0 - $12,490	Total Tax exemption or tax liability of not more than 3.5% of net income.
	$12,490 - $16,910	Try to establish Taxable Value so that the total tax liability is 3.5% of household income plus any relief granted by the Michigan Homestead Tax Credit (maximum credit $1200).
	$16,910 – 21,330	Try to establish net tax liability after Homestead Tax Credit within 5-10% of income depending on specifics of application.
	Over $21,330	Generally, no hardship relief will be granted.
2	$0 - $16,910	Total Tax exemption or tax liability of not more than 3.5% of net income.
	$16,910 - $21,330	Try to establish Taxable Value so that the total tax liability is 3.5% of household income plus any relief granted by the Michigan Homestead Tax Credit (maximum credit $1200).
	$21,330-25,750	Try to establish net tax liability after Homestead Tax Credit within 5-10% of income depending on specifics of application.
	Over $25,750	Generally, no hardship relief will be granted

For each additional person over 2 in the household, add $4,420 to income levels to determine income qualifications.

Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2020.

MCL 211.7u, which deals with poverty exemptions, was significantly altered by PA 390 of 1994 and was further amended by PA 620 of 2002.

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines 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 $21,330 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than $25,750.

Following are the federal poverty guidelines for use in setting poverty exemption guidelines for full exemption of the 2020 assessments. Partial exemptions may be granted with higher income guidelines.

Size of Family	Poverty Guidelines
1	$12,490
2	$16,910
3	$21,330
4	$25,750
5	$30,170
6	$34,590
7	$39,010
8	$43,430
For Each Additional Person	$4,420

The income guidelines shall include, but are not limited to, the specific income for the person claiming the exemption, and should also include anyone else who is living at or contributing to the claimant's household. Income includes:

- Money, wages, and salaries before any deductions.
- Net receipts from non-farm self-employment
- Net receipts from farm self-employment, (the same provisions as above for self-employment.)
- Losses from business, rentals and royalties and net operating losses which are no longer allowable deductions to household income according to the State of Michigan.
- Regular payments for social security, railroad retirement, unemployment, worker's compensation, veteran's payments and public assistance.
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, and regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, and assistantships.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.
- Tax Refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, and State and/or Federal non-cash benefits programs such a Medicare, Medicaid, food stamps, and school lunches

Asset Guidelines Used in the Determination of Poverty Exemptions for 2020.

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 following asset test shall apply to all applications for poverty exemption.

- The applicant shall not have **"liquid"** 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.

- The applicant shall not have **total** assets (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.

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.*