

CLARENDON TOWNSHIP POVERTY EXEMPTION APPLICATION

POLICY AND GUIDELINES 2021 TAX YEAR

A. POLICY

The Township Supervisor and Board of Review will analyze all properly submitted applications for Poverty Exemptions, according to amended P.A.390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL). Every taxpayer will be treated the same, and the items to be considered and the manner in which they will be analyzed are listed under the following guidelines.

B. APPLICATION GUIDELINES:

To be eligible for a Poverty Exemption:

- 1) The primary applicant(s) must own and occupy the property as their principal residence. (Three full calendar years of residency are required). Property placed in a trust does not qualify as owned for poverty exemption purposes. All owners and occupants are required to include their financial information in the application process, and must sign the following: Waiver of Confidentiality, Authorization to Inspect the Property and permission to interview the applicants and verify the Applications.
- 2) All owners and occupants must include **signed** Federal Tax Returns (if required to be filed) & Michigan Income Tax Returns; including all supporting schedules and a filed MI-1040CR, Homestead Property Tax Credit Claim. All submitted returns must be signed and dated. **There are no exceptions**; current tax returns are required to be eligible for a poverty exemption.
- 3) Income and Asset information are required for all owners and occupants of the property. Information regarding exemptions for dependents, elderly and disabled obtained from the Federal and Michigan Income Tax Returns will be noted.

Suggested Asset and Income sources include but are not limited to the following;

Income from all sources:

Interest	Alimony	Child Support
Social Security	Dividends	Unemployment
Pensions	Insurance	General Assistance
IRA/Keogh Annuities	Cash	Retirement Accounts
Checking/Savings Accounts	Stocks/Bonds	Investments (Tangible/Intangible)
Deferred Compensation	Money Markets	Assets in Trust Accounts
New or Reverse Mortgages	Gifts	

4) All Poverty Exemption applicants are eligible to apply for the poverty exemption for a period of three (3) years within of a ten (10) year period. The property cannot be valued at more than the average home market value of \$150,000.*

*(This calculation is double (2 times) the current assessed value.)

Only Senior Citizens and Disabled residents May qualify for an Exception to the above paragraph B (4) if they meet the following qualifications:

a) Senior and/or disabled citizens who have resided in the home more than ten (10) years may qualify every year.

b) A senior citizen is defined as at least sixty-five (65) years old as of December 31st of the year prior to the current year March Board of Review. A disabled citizen is defined as someone declared disabled by the Social Security Administration or other similar government agency. Documents confirming their permanent disability are to be submitted with their application.

c) Senior citizens residing in the home less than the ten (10) year requirement may qualify if the current residence is a result of downsizing. Downsizing is defined as a reduction in the market value from their former primary residence.

d) Individuals permanently disabled may qualify every year if they downsized their primary residence or continue to reside in the same residence occupied when declared disabled.

5) All Applicants must provide valid age and picture identification to be photocopied.

6) Any ownership interest in any real estate other than applicant's principal residence automatically disqualifies the applicant from consideration for a hardship exemption under normal circumstances.

7) If Total Household Income including Investment Value Yield (see Part F (1)) falls above the WBT Income schedule, the Homestead is considered ineligible for a Poverty Exemption and no additional analysis is then made by the Township.

8) Assets in excess of \$5,000 will be considered available for property tax payments.

There are no exceptions to the above paragraphs B (2), (3), (5), (6), (7), and (8).

C. 2021 WBT POVERTY GROSS INCOME/ASSET SCHEDULE

Family Size	Income Schedule
1.	\$17,240
2.	\$21,720
3.	\$26,200
4.	\$30,680
5.	\$35,160
6.	\$39,640
each additional person	4,480

D. EVALUATION PROCEDURE

1. Applications may be reviewed by the March Board of Review without the applicants being present. However, the Board may request that an applicant or their representative be available to respond to any questions the Board or Assessor may have. Board of Review meeting schedules will be made available to the applicants.
2. If requested, the applicants should be prepared to answer questions regarding their financial affairs, their health, and the status of people living in the household; and reasons why they are unemployed.
3. The Board of Review will follow the approved policy and guidelines to determine eligibility and the amount of the exemption
4. The Supervisor and the Board of Review must agree as to the disposition of the poverty claim for the exemption to be granted.
5. All information is subject to verification. The verification process can determine future ineligibility.
6. The Supervisor will keep minutes of all proceedings before the Board of Review. All meetings are to be held in a municipal building.
7. A person filing a poverty exemption claim may also appeal the same parcel assessment before the current March Board of Review.
8. The Board of Review shall follow the policy and guidelines of the Township in granting or denying an exemption under this section. Any substantial and compelling reasons for deviating from the policy and guidelines will be communicated to the claimant in writing.

E. INCOME AND ASSET TESTS

1. INCOME TEST:

Eligible applicants may pay a tax equal to minimum of three percent (3.5%) of their Total Household Income. In Addition, all applicants are required to have filed a Michigan Income Tax Return (MI1040CR), homestead property tax credit, for the Income tax year under appeal.

2. ASSET TEST:

a.) If the investment-value of the applicant's assets calculates, at the stated interest rate, an income stream when added to the applicant's reported income, a sum that is less than the stated household income guidelines; then a poverty exemption may be granted. Underutilized assets and assets available for Investment will have an income stream estimated and included in the (IVY) calculations.

b) When an amount of income is added to the applicant's reported income and produces a sum greater than the stated household income guidelines, a poverty exemption may be denied. If the applicant's assets are of an amount which would indicate that a condition of poverty is not indicated, then a poverty exemption shall be denied.

F. CALCULATIONS:

1) The investment Value Yield (IVY) is calculated by multiplying the applicants' total assets available by the stated interest rate indicated below:

2.50% - savings, cash, money market, other short term assets

4.00% - stocks, bonds, other long term securities

4.00% - other long term assets. Examples of long term assets available for (IVY)

calculations are defined as property underutilized whether real property or investment property.

Suggested example:

a) Retirement accounts

b) Underutilized out lots, building, housing, etc. of current residence.

c) Real estate with a market value in excess of \$150,000. An (IVY) is calculated for other long term assets and added to the applicants' reported income.

(Total Investment Value x Stated Interest Rate=Investment Value Yield (IVY))

2) The Total Household Income calculation includes the applicants' total income and assets determined from information requested above (see Part B (3)) plus the (IVY) determined from Part F (1). Submit all appropriate documents needed to verify the application.

(Income + Investment Value Yield = Total Household Income (THI))

3) Total Household Income is compared to the current Township Poverty Income Schedule (see Part C) adopted by the Township Board. Note: The WBT schedule (Asset Test) is higher than the Federal Poverty Income Schedule and therefore meets the requirements of amended P.A. 390 of 1994.

4) Preliminary Property Tax Amount is calculated by multiplying the Total Household Income (see Part F (2)) at a minimum of three percent (3%).

Total Household Income (THI) x 3%=Preliminary Property Tax Amount (PPTA)

5) Final adjusted Property Tax Assessment is calculated by totaling the Preliminary Property Tax Amount and the calculated homestead property tax credit amount to produce the amount available for the property tax assessment.

PPTA + MI-1040CR Property Tax Credit = Final Property Tax Assessment (FPTA)

6) The difference between the original assessment, and the final adjusted assessment calculated in Part (5) represents the Value of the Poverty Exemption.

The review process may require additional information to determine eligibility.

Date _____

MUST BE COMPLETED IN ITS ENTIRETY TO BE CONSIDERED

Primary Applicant's Name: _____ Age: _____

Address: _____

Phone Number: _____ Taxable Value of Homestead: _____

Parcel Number: _____

How long have you lived at this address: _____

If less than ten years, please identify previous address, ownership and property value:

Marital Status: _____

Employment Statuses: () Employed () Disabled-How Long
() Retired () Unemployed

Occupation: _____ Employer: _____
(If Employed)

Describe any disability or health problems of applicant:

Spouse' Name: _____ Age: _____

Employment Statuses: () Employed () Disabled
(For Spouse) () Retired () Unemployed

Occupation (Spouse): _____ Employer: _____
(For Spouse) (If Employed)

Describe any disability or health problems of applicant (Spouse):

Please List all additional owners and/or persons residing in or on this property.

Name Age Relationship Employments Status Extent of Dependence:

All owners and residents must supply copies of:

Drivers License, Two months of bank statements (directly prior to date of signing this form), Federal and Michigan Income Tax Returns, including a filed Michigan Homestead Property Tax Credit Form, MI-1040CR including asset information for all persons residing in the household.

Do any of the applicants have an ownership interest in any real estate other than the above property or use their residence for business purposes? () Yes () No

Please describe property _____

Have any improvements, additions, or changes been made to the property for which the reduction is requested, in the last two (2) years? () Yes () No

If so, please explain:

Is there a current mortgage or land contract on the Property? () Yes () No

What year did the current mortgage or land contract begin? _____

If so, what is the monthly mortgage or land contract payment? \$ _____

() With Taxes () Without Taxes

When will the mortgage or Land Contract be paid off? _____

Are the Taxes paid? () Yes () No

When was the Property purchased? _____

What was the purchase price? \$ _____

Did you seek property tax relief for any years prior to this year? () Yes () No

List Years: _____

Primary Applicants:

Please list all sources of income and indicate the amount from each source on an annual basis:

Name: _____ Age: _____

	Applicant	Spouse/Other
Employment	\$ _____	\$ _____
Pensions, Ira's, Annuities	\$ _____	\$ _____
Social Security	\$ _____	\$ _____
Unemployment Compensation	\$ _____	\$ _____
Workman's Compensation	\$ _____	\$ _____
Welfare Assistance – ADC	\$ _____	\$ _____
Alimony	\$ _____	\$ _____
Child Support	\$ _____	\$ _____
Interest/Dividends	\$ _____	\$ _____
Insurance	\$ _____	\$ _____
Gifts (Cash, Other)	\$ _____	\$ _____
Other	\$ _____	\$ _____
New or Reverse Mortgages	\$ _____	\$ _____

List your current assets: (Please provide balances as of December 31, of current year)

Cash/Checking Account	\$ _____	\$ _____
Savings/Money Markets/CD's	\$ _____	\$ _____
Stocks/Bonds	\$ _____	\$ _____
Investments (Real & Personal)	\$ _____	\$ _____
Ira's Annuities	\$ _____	\$ _____
Insurance	\$ _____	\$ _____
Vehicles, Years and Model	_____	_____
Payment Amounts	\$ _____	\$ _____
Additional Vehicles, boats, RV's	\$ _____	\$ _____
Gifts/Cash/Other	\$ _____	\$ _____

Additional Owners and Occupants (Attach additional sheets as necessary)

Name: _____ Age: _____ Relationship: _____
Name: _____ Age: _____ Relationship: _____
Name: _____ Age: _____ Relationship: _____

For additional owner/occupants, attach additional sheets as needed:

1. List all sources of personal income; indicate the amount from each source on an annual basis.
2. List all assets. Make additional copies of page 3, as needed. Fill out a copy of page 3 for each occupant.

What was the total income from all sources for everyone owning or living in your household for the past two (2) years? *All residents must supply copies of their current year Federal and Michigan Tax returns.*

Current Year \$ _____ Last Year \$ _____

Do you anticipate any major changes in income for the coming year? () Yes () No

If so, please explain:

Please explain any unusual circumstances. (Attach additional sheets if necessary):

Please list any persons that contribute to your support?

Please list their relationship to your household and how much they contribute?

Do you anticipate selling the property for which relief is sought? () Yes () No

AUTHORIZATION TO VERIFY APPLICATION & INSPECT PROPERTY

PLEASE READ CAREULLY:

I (we) are unable to pay the full property taxes on the above described property and hereby make application for property tax relief in accordance with Section 211.7u Michigan Compiled Laws. I (we) have read this application and Poverty Exemption Guidelines and fully understand the contents thereof. I (we) declare that the statements made herein are complete, true, and correct to the best of my (our) knowledge. I (we) further understand that if any information contained herein is found to be false or incomplete, or if property is sold within the year, 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,

I (we) also authorize a representative of the Township Assessing Staff to physically inspect my (our) property prior to the Board of Review meeting to ensure accuracy of the property appraisal record card and that the home is being occupied.

APPLICANT SIGNATURE: _____ DATE: _____

SPOUSE SIGNATURE: _____ DATE: _____

OTHER OWNERS: _____ DATE: _____

_____ DATE: _____

WAIVER OF CONFIDENTIALITY

Parcel #: _____

Property Address: _____

I (we), _____, hereby consent of the examination of copies of my (our) tax returns and related financial documents, including but not limited to those listed below, by the Township Assessor and/or designated agent and by the members of the Township Board of Review:

- Federal Income Tax Returns
- Michigan Income Tax Returns
- Senior Citizens Homestead Property Tax Form
- General Homestead Property Tax Claim Form
- Statement form Social Security Administration
- Bank Statements
- Six (6) months electric and gas bills to verify expenses and occupancy of the home.

Furthermore, I (we) consent to the discussion of the information contained in my (our) tax returns and related financial documents at a duly convened public meeting of the Township Board of Review. By signing this Waiver of Confidentiality, I (we) understand and acknowledge that I (we) are forever giving up any and all possible claims I (we) may have relative to the disclosure of information contained in said tax returns and related financial documents, which claims may arise pursuant to Internal Revenue Code Section 6103, and/or any other federal, state or local statute or regulation.

I (we) have read this document in its entirety and sign this document of my (our) own free will.

Dated: _____

Signature

Signature