

PROPERTY TAXES – BENTON CHARTER TWP - Poverty Exemption Resolution – 2025

I. PURPOSE

The purpose of this policy is to establish the process for receiving applications for annual property tax poverty exemptions in accordance with MCL 211.7u, as last amended by Public Act 253 of 2020.

This Public Act provides those in poverty with an exemption from paying property taxes on principal residences, subject to certain conditions. To meet the exemption requirements, there are specific steps an applicant must follow, including filing and being approved an application for an exemption by the Benton Charter Township Board of Review.

The statute requires the Township Board to adopt from time to time, the federal poverty and asset guidelines as updated annually in the Federal Register by the United States Department of Health and Human Services.

II. DEADLINE FOR SUBMISSION OF POVERTY EXEMPTION APPLICATIONS

For the March 2025 Board of Review, a complete application must be received by the office of the Township Assessor by March 1, 2025.

For the July 2025 Board of Review, a complete application must be received by the office of the Township Assessor by July 1, 2025.

For the December 2025 Board of Review, a complete application must be received by the office of the Township Assessor by December 1, 2025.

III. APPLICATION AND POVERTY GUIDELINES

To be eligible to receive a 100% property tax exemption based on poverty, an applicant shall do all of the following on an annual basis:

1. Be the owner of and occupy as a principal residence the property for which an exemption is sought.
2. File a claim in the form of a complete application with the Township Assessor on forms prescribed by the Michigan State Tax Commission. These forms include:
 - Form 5737 – “Application for MCL 211.7u Poverty Exemption,” including all required documentation (i.e., federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns.)

- Form 5739 – “Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty”
- Form 4988 – “Poverty Exemption Affidavit” – NOTE: This form is used by applicants who are not required to file federal and state income tax returns.

3. Produce a valid driver’s license or other form of identification, if requested.

4. Produce a deed, land contract, or other evidence of ownership of the property, if requested.

5. Meet the federal poverty guidelines for income, as published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services, which are as follows:

<u>Persons Residing in Residence</u>	<u>Annual Allowable Income</u>
1 person	\$15,060
2 persons	\$20,440
3 persons	\$25,820
4 persons	\$31,200
5 persons	\$36,580
6 persons	\$41,960
7 persons	\$47,340
8 persons	\$52,720
For Each Additional Person add	\$ 5,380

6. Meet the poverty guidelines for assets, as established by the Township Board to determine the maximum value of all assets allowable to qualify for the poverty exemption. This asset test CANNOT include the value of the principal residence. The asset test can include assets such as, but not limited to, a second home, land, vehicles including recreational vehicles, buildings other than the principal residence, jewelry, antiques, artwork, bank accounts, stocks, withdrawals of bank deposits and borrowed money, gifts, loans, lump-sum inheritances, one-time insurance payments, etc. The maximum asset limits are as follows:

<u>Persons Residing in Residence</u>	<u>Annual Allowable Assets</u>
1 person	\$20,000
2 persons	\$25,000
3 persons	\$30,000
4 persons	\$35,000
5 persons	\$40,000
6 persons	\$45,000
7 persons	\$50,000
8 persons	\$55,000
For Each Additional Person add	\$ 5,000

7. Any poverty tax exemption approved under this policy shall be for one tax year only.