

**Iosco Township**  
Livingston County  
2050 Bradley Rd  
Webberville, MI 48892  
517-223-9545  
www.ioscotwp.com

## **IOSCO TOWNSHIP RESOLUTION # 2024-01**

### **POVERTY GUIDELINES AND ASSET LEVEL TEST**

January 18, 2024

WHEREAS, The Iosco Township Board desires to approve the adoption of the following Poverty Exemption Guidelines and Asset Level Test language;

#### **IOSCO TOWNSHIP POVERTY GUIDELINES AND ASSET LEVEL TEST**

##### **General Information:**

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.

The poverty exemption is only available for a property used as a principal place of residence (homestead).

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 for each year using the State of Michigan forms 5737 and 5739 and 4988. A complete application includes:**
  - a. **All information requested on the application form.**
  - b. **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.**

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- c. Supporting documentation for all income sources reported on the application form (i.e. recent pay stubs, receipts, investment account year-end reports, etc.).
  - d. All required on poverty exemption checklist.
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 multiplied by 150%.
4. Assets cannot be more than \$10,000.

**Income Guidelines**

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1. According to the United State Census Bureau "Household income" includes all of the following items, but is not limited to; and as received in the previous tax year:
  - a. Money, wages, salaries before deductions, regular contributions from persons not living in the residence.
  - b. Net receipts from non-farm or farm self-employment. (receipts from a person's own business, profession enterprise, or partnership, after business expense deductions.
  - c. Regular Payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI)
  - d. Alimony, child support, military family allotments
  - e. Private and governmental retirement and disability pensions, regular insurance, annuity payments
  - f. College or university scholarships, grant, fellowships, assistantships
  - g. Dividends, interest and net income from rentals, royalties, estates, trusts, 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.

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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.



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**POVERTY EXEMPTION CHECKLIST**

**\*All applicable documents are required**

- \_\_\_ Form 5739 Poverty Exemption Application.
- \_\_\_ Form 5737 Affirmation of ownership and occupancy to remain exempt by reason of poverty.
- \_\_\_ Form 4988 Poverty Exemption Affidavit. (If Applicable)
- \_\_\_ Copy of Driver's license or other government issued identification.
- \_\_\_ Copy of current deed or land contract
- \_\_\_ Copy of preceding year federal income tax return 1040)
- \_\_\_ Copy of preceding year Michigan tax return (MI-1040)
- \_\_\_ Copy of preceding year social security benefit statement (SSA-1099)
- \_\_\_ Copy of preceding three months checking and/or savings account statements.
- \_\_\_ Copy of preceding month check stubs for anyone over 18 years of age.
- \_\_\_ Copy of regular payments from Social Security, retirement plans, pension receipts, child support, alimony support, unemployment compensation, benefits from union funds, workers compensation, veteran payments, military family allotments, and public assistance for anyone over 18 years of age.
- \_\_\_ Copy of preceding month utility bills.
- \_\_\_ Copy of preceding month mortgage, vehicle, personal loan, and recreational vehicle loan statements.
- \_\_\_ Copy of all household assets.

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Therefore,

Resolved that the Iosco Township Board of Review shall use stated guidelines for the determination of granting Poverty Exemption(s).

Upon roll call vote on the adoption of the resolution,


The following voted "Aye": Alderson, Bonnville, Dailey, Hardies, & Parker

The following voted Nay": None

The following abstained: None

The Resolution was offered by Clerk Dailey and supported by Trustee Alderson.

RESOLUTION DECLARED ADOPTED.

  
Julie Dailey  
Iosco Township Clerk  
STATE OF MICHIGAN  
COUNTY OF LIVINGSTON

