

Charter Township of Shelby

Assessing Department

2019 Poverty Exemption Guidelines (Revised 1-15-2019)

Section 211.7u (1) of the General Property Tax Act defines the Poverty Exemption as a method to provide tax relief for those who, in the judgment of the Board of Review (BOR) members, are unable to fully contribute to the property tax burden of their principal residence due to their financial situation.

The Shelby Township Assessing Department, with approval of the Shelby Township Board of Trustees, have adopted these official Poverty Exemption Guidelines and will make them available in a different format, for those who wish to apply for property tax relief under the above-referenced statute.

In order to qualify for a Poverty Exemption, a homeowner **must** have a Principal Residence Exemption (PRE) for the assessment year in which the poverty exemption is requested and **must** also provide the Assessing Department with **all** of the information listed below, or their application will be considered “incomplete” and will, therefore, not receive consideration by any of the Board of Review members.

1. Timely filed and fully complete and signed Poverty Exemption Application
2. Copies of 2018 W-2 Forms, Social Security Statements (SSA-1099) or similar income verification for all permanent members of the household
3. Copies of 2018 Federal Income Tax Returns for all permanent household members
4. Copies of 2018 Michigan Income Tax Returns for all permanent household members
5. Copy of 2018 Michigan Homestead Property Tax Credit Claim (MI-1040CR)
6. Poverty Exemption Affidavit (Form 4988) (only if Applicant was not required to file a federal or state income tax return)
7. Original signed Federal IRS Form 4506-T: Request for Transcript of Tax Return
8. Copy of 2018 mortgage payment verification showing the current loan balance and principal and interest payment amounts
9. Copies of valid State of Michigan Driver License or similar form of identification for all permanent members of the household
10. Copies of State of Michigan Registration for all vehicles in the household
11. Copy of proof of property ownership (ONLY if requested by the Assessing Department staff)

The Charter Township of Shelby requires all Applicants to provide copies of their originally-filed tax returns and will not accept summary information reports or reproduced tax returns. Federal and state tax returns must be signed unless “e-filed” documents are included. The Township retains the right to request a copy of any household occupant’s federal income tax return from the Internal Revenue Service or Michigan Income Tax Returns from the Department of Treasury pursuant to MCL 205.28 as well as all vehicle or titled asset registration information from the Michigan Secretary of State.

The Poverty Exemption Application will require homeowners to provide personal information for all of the members of the household including their marital, employment and disability status, health issues, mortgage, asset, debt and vehicle information as well as annual income and monthly expense figures. The Shelby Township Assessing Department will, to the best of their ability, respect the confidential nature of all of the applicant’s personal information by not making it available to the general public.

In order to qualify for *consideration* for a Poverty Exemption, an applicant's 2018 combined household income **must** be less than the figures listed below, which represent the 2018 U.S. Federal Poverty Guidelines *increased* by 50%. The Board of Review *may* choose to waive these income requirements if an exemption applicant has experienced a recent, significant change in their annual household income.

<u>Household Members</u>	<u>Income</u>	<u>Household Members</u>	<u>Income</u>
1	\$18,210	5	\$44,130
2	\$24,690	6	\$50,610
3	\$31,170	7	\$57,090
4	\$37,650	8	\$63,570
		Each additional member:	+\$6,480

If the owner of a principal residence meets the income guidelines listed above and has supplied the Assessing Department with *all* of the required documentation, the Assessing Department will make a *recommended* poverty exemption amount to the Board of Review assuming that 3.5% of the Applicant's effective household income is appropriate for the payment of annual property taxes and that the responsibility of providing property tax relief should be shared equally by Shelby Township and the State of Michigan by way of the Michigan Homestead Property Tax Credit Claim (MI-1040CR).

If the interest-bearing assets of a household exceed \$10,000 per household member, or if there are significant non-liquid assets held by the Applicant, the *recommended* poverty exemption amount will be reduced accordingly. The Board of Review does have the complete authority to deviate from the Assessing Department's recommended poverty exemption amount and may also reduce a poverty exemption amount if the Applicant's homestead was purchased in either the current or previous year.

The Assessing Department requires that all poverty exemption applicants personally attend the Board of Review hearing every year *unless* the BOR decides that a personal appearance is not necessary. If an applicant has difficulty attending the BOR hearing because of a significant health issue, the Assessing Department will recommend that the BOR evaluate their application without a personal appearance. The Assessing staff will have the right to make a personal visit to the home of all applicants in each year that a poverty exemption is requested. Poverty exemption applicants are not prohibited from also appealing their assessed, capped or taxable values or their property classification in the same assessment year. In compliance with the Americans with Disabilities Act, as amended, those applicants with disabilities may call the Assessing Department at (586) 731-5910 to request additional assistance.

All Poverty Exemption Applications may be dropped off at the Shelby Township Assessing Department or may be mailed to the Assessing Department at 52700 Van Dyke Shelby Township, MI 48316-3572. The filing deadline for all Poverty Exemption Applications is seven days prior to the first scheduled day of either the March, July or December Boards of Review. Listed below is the first day of each 2019 Board of Review hearing and the required filing deadline for all 2019 Poverty Exemption Applications.

<u>First Day of Board of Review</u>	<u>Poverty Exemption Application Filing Deadline</u>
March 11, 2019	March 4, 2019
July 16, 2019	July 9, 2019
December 10, 2019	December 3, 2019

All complete Poverty Exemption Applications received before the deadlines listed above *will* receive consideration by the Board of Review. All applicants will be notified in writing of the decision of the BOR along with their appeal rights. All poverty exemptions are, by law, effective for one year only.