

**Carmel Township, Eaton County, Michigan  
661 Beech Hwy, Charlotte Michigan 48813-1048**

**POVERTY EXEMPTION APPLICATION FOR 2024 TAXES  
(UNDER MCL 211.7u - NEW REQUIREMENTS)**

*It is recommended that you read this application before you fill it out. In some instances, you may not qualify.*

PA 390 of 1994 states that the poverty exemption shall not be granted to property owned by a corporation. Starting 1995, PA 390 of 1994 states that the **governing body** of the local assessing unit shall determine the policies and guidelines that the local assessing unit will use when deciding whether to grant poverty exemptions.

PA 390 requires that the poverty exemption guidelines include the asset levels of the entire household. The determination of the amount of the asset levels is left to the discretion of the local governing body. Local governing bodies are required by the Act to set income and asset levels for their poverty exemption guidelines.

In order to qualify for the poverty exemption, the claimant must meet **all** of the tests set by the local governing body. PA 390 requires that local assessing units make available to the public their policies and guidelines for the granting of poverty exemptions. The Board of Review shall follow the policies and guidelines of the local assessing unit when granting or denying a poverty exemption. The same standards shall apply to each claimant in the unit for the assessment year. PA 390 requires that the poverty exemption guidelines set by the governing body of the local assessing unit include income and asset level. The Act further requires that the income levels NOT be set lower than the federal poverty income standards.

P.A. 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. All property owners are required to file federal and state income tax returns in the current year or in the immediately preceding year with the Poverty Exemption Application.

**PARTIAL POVERTY EXEMPTIONS:** Beginning in 1995, PA 390 of 1994 authorizes partial poverty exemptions. A partial poverty exemption is an exemption of only a part of the taxable value of the property rather than the entire taxable value.

**FILING FOR THE POVERTY EXEMPTION:**

To be eligible for the poverty exemption, the claimant must do all of the following **on an annual basis**:

Official Receiving Exemption to Check Boxes Only

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

- 1) **Own and occupy as a homestead** the property for which the exemption is requested. *(MCL 211.7u (a)).*
- 2) **File a Claim with the Supervisor/Assessor or Board of Review after January 1, 2024**, but before the day prior to the last day of the Board of Review on a form provided by the local assessing unit. (Note: the filing of this claim constitutes an appearance before the March Board of Review for the purpose of preserving the right to appeal to the Michigan Tax Tribunal). Appeals to the Michigan Tax Tribunal must be made by July 31 of the same year. Applications may still be accepted at the July and December Board of Review meeting of the same year. *(MCL 211.7u (a)).*
- 3) **Provide Federal and State income tax returns** (MI-1040) and Homestead Property Tax Credit claims (MI-1040CR 1, 2, 3 or 4) must be attached as proof of income **OR** an affidavit of exemption from federal or state income tax in the preceding year. *(MCL 211.7u (b)).*
- 4) **Produce a valid driver's license** or other form of identification if requested. *(MCL 211.7u (c)).*
- 5) **Produce a deed, land contract, or other evidence of ownership** of the property for which an exemption is being requested. *(MCL 211.7u (d)).*
- 6) **Meet the federal poverty income standards** adopted by the governing body of the local assessing unit. *(MCL 211.7u (e)).*
- 7) **Meet the asset levels** set by the governing body of the local assessing unit.

A claimant may Request a Poverty Exemption and Appeal the Property's Assessment to the Board of Review in the current year.

**FEDERAL POVERTY INCOME STANDARDS:**

The following are the federal poverty income standards that the United States Office of Management and Budget recommend that federal departments and agencies use. **Carmel Township** has adopted these Income Levels for the basis of granting "Poverty Exemptions." These amounts are adjusted annually. (MCL 211.7u (e)).

**To be eligible for a poverty exemption in Carmel Township for 2024, your gross income may NOT exceed these guidelines in 2023. If your gross income exceeds the levels listed below you do not qualify for a Poverty Exemption:**

**Number of Persons Residing**

<u>In the Principal Residence</u>	<u>Annual allowable income</u>
1 person .....	\$17,000
2 persons .....	\$21,720
3 persons .....	\$26,440
4 persons .....	\$31,160
5 persons .....	\$35,880
6 persons .....	\$40,600
7 persons .....	\$45,320
8 persons .....	\$50,040
For Each Additional Person add.....	\$4,720

**MAXIMUM ASSET STANDARDS TO BE ELIGIBLE FOR A POVERTY EXEMPTION**

*(PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall include an asset level test)*

Carmel Township has adopted the following MAXIMUM ASSET STANDARDS for a household to be eligible for a POVERTY EXEMPTION. The below asset levels DO NOT include the value of your homestead. (Per Tribunal ruling 08-13-97, Docket #236230, and the equity of the homestead should not be included within the asset test to be valid.

**5 times the annual household income and no more cash than equal to one month's gross household income in the year 2023**

**Example:** A household has \$5500.00 in assets including \$300.00 in cash. One person is living in the house and a gross income of \$10,864.00 for the year or \$905.00 per month.

With five times the gross income and no more cash than the amount equal to one month's gross income.

$5 \times \$10,864 = \$54,320.00$  and cash of \$300.00 is less than one month's gross income of \$905.00

For 2020- 1-person annual allowable income as defined by the Federal Department of health and Human Services (HHS) = \$12,490.00.  $5 \times \$12,490.00 = \$62,450.00$  of maximum allowed assets.  $5 \times \$10,864 = \$54,320.00$ . **\$300.00 is less than \$905.00** monthly gross income. This person is eligible to claim poverty exemption to the Carmel Township Board of Review.

Household assets include assets transferred during the previous year for less than fair market value to a relative or other person who is not involved in an arm's length transaction with the petitioner or other household member.

# 2024 Carmel Township Application for Exemption

Please fill out the following forms to be considered for a poverty exemption by the Carmel Township Board of Review.

I, \_\_\_\_\_, being the owner and resident of the property listed below, apply for tax relief under MCL 211.7u of the General Property Tax Act 206 of 1893. The real and personal property of persons who, in the judgment of the supervisor and board of review, by reason of poverty are unable to contribute toward the public charges, are exempt whole or in part from taxation under this act MCL 211.7j(1)). I also swear or affirm that this property is my, "Homestead Property or qualified agricultural property," as defined in MCL 211.dd.

Property Code Number 23 – 100 - - -

Property Address: \_\_\_\_\_ Phone ( ) \_\_\_\_\_

Marital Status: \_\_\_\_\_ Age of Applicant: \_\_\_\_\_ Age of Spouse: \_\_\_\_\_

Number of Dependents: \_\_\_\_\_ Age of Dependents: \_\_\_\_\_

Have you applied for Homestead Property Tax Credit this Year?     Yes     No

How much was your Property Tax Credit? \_\_\_\_\_

**ATTACH A COPY OF 1040 CR AND FEDERAL AND STATE INCOME TAX RETURN, IF FILED FOR THE CURRENT YEAR.**

**Employment Information:** List your current employment information.

Name of Employer	Name of Contact Person:
Address of Employer:	Employer Phone Number:

**INCOME SUMMARY**

List all income from salaries, Social Security, rents, pensions, unemployment compensation, disability, government pensions, workers’ compensation, dividends, claims and judgments from lawsuits, alimony, child support and any other source such as rental income.

Source of Income	Annual Income
<b>Total</b>	

**LIST ALL PERSONS LIVING IN HOUSEHOLD:** All persons residing in the residence must be listed

Last Name First Name	Age	Relationship to Claimant	Place of Employment/ School Attending	Dependent Yes/No

REAL ESTATE: Is home paid for?  Yes  No Unpaid balance: \_\_\_\_\_  
 Name of Mortgage Co. \_\_\_\_\_ Monthly Payment: \_\_\_\_\_  
 How long have you lived at this residence? \_\_\_\_\_  
 Do you own, or are you buying any other property?  Yes  No  
 If so, list below:

Property Address Tax ID #	Assessed Value	Total Annual P & I & Tax Payment	Equity

**----- ASSEST SUMMARY -----**

SAVINGS AND INVESTMENTS: List all savings owned by you or your spouse, including savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds or similar investments.

Name of Financial Institution or Investments	Name on Account	Amount on Deposit	Value of Investment or Investments
<b>Sub Total</b>			

**LIFE INSURANCE:** List all policies held by you and your spouse. \*Cash value is only applicable to Whole Life policies or similar policies with growth in borrowing or cash value against the policy.

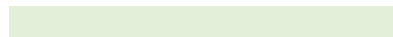
Insured	Amount of Policy	Amount Paid Monthly	Paid Up Policy	Name of Beneficiary	Cash Value Or Term Ins.*
<b>Sub Total</b>					

**MOTOR VEHICLES OWNED:**

Make	Year	Balance Owed	Cash Value	Net Value
<b>Sub Total</b>				

**OTHER ASSETS:** List all other assets and their value that are owned or controlled by you. (For example, boats, coin collection, antiques, silver)

Type of Asset	Owner	Value
<b>Sub Total</b>		



### Board of Review Work Sheet

Number of persons in household: \_\_\_\_\_ \$ \_\_\_\_\_ **A**  
*5X stated level Gross assets Allowable*

Total Gross Income: \$ \_\_\_\_\_ (=) \$ \_\_\_\_\_ **B**

(+) \$ \_\_\_\_\_ **C**  
*Total Assets including cash*

(=) \$ \_\_\_\_\_ **D**  
*B + C = D*

Is D less than A:  YES  NO

Gross income \$ \_\_\_\_\_ ( $\div 12$ ) \$ \_\_\_\_\_ **E**

Total Cash on hand: \$ \_\_\_\_\_ (-) \$ \_\_\_\_\_ **F**

(=) \$ \_\_\_\_\_ **G**

Is G less than E:  YES  NO

Is the total asset valuation and cash at or below the "Maximum Asset Standard" as defined by the Carmel Township Board of Trustees? (Yes to both sections)  YES  NO.

**Fill this form out if you were not required to file a federal or state income tax return.**

Michigan Department of Treasury  
Form 4988 (05-12)

## Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer’s Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, \_\_\_\_\_, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Person Making Affidavit \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

**NOTICE:** Any willful misstatements or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

**NOTICE:** a copy of your latest federal income tax return, state income tax return (MI-1040) and your Homestead Property Tax Credit claim (MI-1040CR 1, 2, 3 or 4) must be attached as proof of income. Or by filling out form 4988 affidavit of statement of not requirement to file a Federal Income tax return. (MCL 211.7u (b)).

**NOTE:** Do not sign until witnessed by the Supervisor, Assessor, Board of Review or Notary Public. **(Must be signed by either the Supervisor, Assessor, Board of Review Member or Notary Public)**

\_\_\_\_\_

STATE OF MICHIGAN, COUNTY OF EATON

I/we, the undersigned Petitioner(s), hereby declare that the foregoing information is complete and true and that neither I, nor any household member residing within the principal residency, have money, income or property other than mentioned herein.

\_\_\_\_\_  
*Petitioner Signature*

\_\_\_\_\_  
*Date*

Subscribed and sworn this \_\_\_\_\_ day of \_\_\_\_\_, 2023

Supervisor/Assessor Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_

BOR Member Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_

Notary Signature: _____ Printed Name: _____  My Commission Expires: _____
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This application shall be filed after January 1, but before the day prior to the last day of the March, July or December Board of Review to the address below. (MCL 211.7u (3)).

Carmel Township  
Board of Review  
c/o Supervisor  
661 Beech Hwy.  
Charlotte, Michigan 48813

DECISIONS OF THE MARCH BOARD OF REVIEW MAY BE APPEALED IN WRITING TO THE MICHIGAN TAX TRIBUNAL BY JULY 31 OF THE CURRENT YEAR. JULY OR DECEMBER BOARD OF REVIEW DENIALS MAY BE APPEALED TO MICHIGAN TAX TRIBUNAL WITHIN 30 DAYS OF THE DENIAL. A COPY OF THE BOARD OF REVIEW DECISION MUST BE INCLUDED WITH THE FILING. POVERTY EXEMPTION FORM FROM STATE TAX TRIBUNAL MUST BE ACCOMPANIED WITH TOWNSHIP FORM (LOCATED AT <https://www.michigan.gov/taxtrib/faq/small-claims-appeal-forms>). AND ANY OTHER INFORMATION THAT IS REQUIRED.

Michigan Tax Tribunal  
PO Box 30232  
Lansing, MI 48909  
Phone: 517-373-3003  
Fax: 517-373-1633  
E-mail: taxtrib@michigan



**Board of Review use only:**

Received Date: \_\_\_\_\_

Disposition by Board of Review Date \_\_\_\_\_

Denied:  Approved:  Assessment reduced to \_\_\_\_\_ and/or % \_\_\_\_\_

Supervisor \_\_\_\_\_ Chairperson \_\_\_\_\_ Board Member \_\_\_\_\_ Board Member \_\_\_\_\_

*Reason if Denied or Reduced and/or reasoning of why the board is compelled to deviate from the policy and guidelines.*

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*Decisions may be appealed to Michigan Tax Tribunal*

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# Addendum

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## POVERTY EXEMPTION

### Full or Partial Poverty Exemptions

PA 253 of 2020 made changes related to granting full or partial poverty exemptions. MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption, in whole or in part, as follows:

1. A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
2. A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted;  
or
3. partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.