

2023

CITY OF SOUTHFIELD

POVERTY EXEMPTION GUIDELINES & APPLICATION

PARCEL #: 76-24-

NAME(S):

PHONE:

HOUSEHOLD
SIZE:

GROSS
ANNUAL
INCOME:

COMMENTS:

RETURN TO:

Assessing Department
City of Southfield
26000 Evergreen Road
P.O. Box 2055
Southfield, MI 48037-2055
Ph: 248-796-5230

Received:





City of Southfield

26000 Evergreen Rd. • P.O. Box 2055 • Southfield, MI 48037-2055 • www.cityofsouthfield.com

Dear City of Southfield Resident:

Michigan Compiled Laws section 211.7u, of Act 206 of 1893 the *General Property Tax Act*, gives the Board of Review authority to review requests for tax relief on the principal residence of persons in poverty.

The Board of Review meets annually in March, July and December and is the only body with authority to grant *Poverty Exemptions*. The *Poverty Exemption* application can be submitted any time after January 1st but must be before the day prior to the last day of the December Board of Review during the year which exemption is requested. The application forms are the form 5737, *Application for MCL 211.7u Poverty Exemption*, and form 5739, *Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty*.

The application forms, eligibility guidelines and a checklist of required documentation are attached. Please complete, sign, and submit the attached application and all requested documentation to the Assessing Department at least one day prior to the nearest Board of Review date. The required documentation must be submitted with the application for ***all persons residing in the homestead***.

If your circumstances remain unchanged from the previous year's *Poverty Exemption* and you have already supplied the appropriate returns for the year prior to the current year, you do not have to resubmit them. In this situation only, you may submit only the most current year's return and a form 5739.

An Assessing Department staff member will contact you regarding any additional information requested by the Board. Please note that failure to supply the appropriate documentation, or supplying information deemed to be deceptive, will result in denial of your exemption request. A notice of the Board of Review's action regarding your application will be mailed timely following the adjournment of their annual session. If your exemption request is denied you may appeal the decision to the Michigan Tax Tribunal within 35 days of the notice date. The Michigan Tax Tribunal's website is: www.michigan.gov/taxtrib and their contact number is (517) 335-9760.

If you have any questions, do not hesitate to contact this office at 248-796-5230.

Sincerely,

Justin E. Prybylski, City Assessor

Mayor
Dr. Kenson J. Siver

Council President
Michael A. Mandelbaum

City Clerk
Allyson Bettis

City Treasurer
Irv M. Lowenberg

Nancy L.M. Banks

Daniel Brightwell

City Council
Dr. Lloyd C. Crews

Myron Frasier

Coretta Houge

Linnie Taylor

GUIDELINES FOR 2023 POVERTY EXEMPTION

MCL Section 211.7u and P.A. 253 of 2020 define *Poverty Exemption* and provide that in addition to forms 5737 and 5739 a taxpayer must satisfy all the following requirements on an annual basis:

1. The applicant must own and occupy the property as their principal residence. Principal residence is defined in MCL 211.7dd(c) as, "*the one place where a person has his or her true, fixed, and permanent home, to which, whenever absent he or she intends to return.*"
2. Provide the federal and state income tax returns for the current and immediately preceding year, including any property tax credit forms (MI1040-CR) for all persons **residing in the principal residence**. Any person(s) residing in the principal residence that were not required to file a federal or state income tax return, for the current or immediately preceding year, must instead submit a form 4988, *Poverty Exemption Affidavit*, swearing and affirming this to be true.
3. Produce a valid driver's license or other form of identification.
4. Produce a deed, land contract, or other evidence of ownership for the property.
5. Meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services or alternative guidelines adopted by the local assessing unit. The City of Southfield has adopted income guidelines increased by 20% over the federal poverty guidelines with the ability to add medical expenses. This allows the Board to better assist those on the threshold to receive much needed assistance. The following chart outlines the federal and City income guidelines used for granting poverty exemptions on 2023 assessments, as approved by the State Tax Commission and Council:

Size of Family Unit	Income Guidelines	Southfield Adds 20%	Southfield Adds
1	\$13,590	\$16,308	all
2	\$18,310	\$21,972	household
3	\$23,030	\$27,636	medical*
4	\$27,750	\$33,300	expenses.
5	\$32,470	\$38,964	
6	\$37,190	\$44,628	Add
7	\$41,910	\$50,292	them
8	\$46,630	\$55,956	here.
For each additional person, add	\$4,720	\$5,664	*Must be verified with receipts paid by applicant

6. Meet the asset level test adopted by the City of Southfield.

POLICY FOR POVERTY EXEMPTION PERCENTAGE

Public Act 253 of 2020 amended *poverty exemption* requirements under MCL 211.7u. There are now specific percentage reductions to taxable value that must be used by the Board of Review when granting *poverty exemptions*, unless the Local Government Unit has been approved by the State Tax Commission to deviate from these. MCL 211.7u(5) states that if a person claiming a *poverty exemption* does meet all eligibility requirements, the Board of Review shall grant the exemption, in whole or in part, as follows:

1. A full exemption equal to a 100% reduction in taxable value
2. A partial exemption equal to 50% reduction in taxable value
3. A partial exemption equal to 25% reduction in taxable value

Criteria for Determining Exemption Percentage

The asset level test adopted by the City of Southfield will be applied to each application to determine the level of exemption necessary for the applicant. The documents submitted will be used as the basis for the asset level test and assist the Board of Review in determining the applicant's qualification for exemption. This asset test will be based on the amount of household income generated from all sources and adjusted for expenses. The amount and type of total assets will also have weight in the analysis of the asset level test. *Please note: applicants for poverty exemption may be investigated by the City to verify the validity of statements and information submitted in the application.*

Income: the amount of total household income must not exceed the City of Southfield's adopted income guidelines based on household size. The City of Southfield has added a 20% increase and excess medical expenses to the Federal Poverty Income Standards.

Assets: The total value of the household assets, excluding the home and primary vehicles for all persons living in the principal residence **must not exceed \$35,000**. The applicant must submit copies of the most recent bank statement for each bank they have an account with, a statement from any retirement fund, annuity, cash value life insurance policy, brokerage account or any other financial asset accounts held by the applicant and all persons residing in the principal residence.

The City of Southfield has adopted a poverty exemption policy that grants a full, or 100% reduction in taxable value, exemption when the applicant and all persons living in the principal residence have an income that is at or below the guideline for Southfield's income requirements and their household assets do not exceed \$35,000. *Please note that if you are granted 100% exemption from property taxes due to poverty your ability to qualify for and receive the Michigan Homestead Property Tax Credit may be affected and/or eliminated. You may no longer receive a refund for this credit annually.*

If an exemption application is approved by the Board of Review, the assessed and taxable values will be adjusted accordingly, relieving the tax burden from your property completely. There is no requirement that the property taxes are to be paid in full as of the application date. An exemption is granted for the current tax year only and the Board cannot act retroactively on previous tax years.

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APPLICANT'S CHECKLIST

The asset level test adopted by the City of Southfield will require certain documents to be submitted that assist the Assessor and Board of Review in determining your qualification for exemption. The applicant must supply the following documentation for all persons residing in the principal residence:

- ☐ Federal Income Tax Returns (current & prior year) -or- Form 4988
- ☐ Michigan Tax Returns & MI1040-CR (current & prior year) -or- Form 4988
- ☐ Social Security Benefit Statement (Form SSA 1099)
- ☐ Form 5737, *Application for MCL 211.7u Poverty Exemption*
- ☐ Form 5739, *Affirmation of Ownership and Occupancy to Remain Exempt....*
- ☐ Driver's License
- ☐ Deed, land contract, or other evidence of property ownership, if applicable
- ☐ Mortgage Statement showing balance
- ☐ Medical Receipts, if applicable
- ☐ Copy of most recent bank statement for every bank you have an account
- ☐ Copy of most recent retirement fund statement
- ☐ Copy of most recent annuity statement
- ☐ Copy of most recent insurance policy statement showing cash value
- ☐ Copy of most recent brokerage account statement
- ☐ Copy of most recent statement of any other financial assets
- ☐ Any other document that helps determine your ability to pay property taxes

These documents are required and **must be** submitted if they apply to your financial situation. If any of the requested documentation do not apply to your situation, please cross a line through that item and attach a brief explanation on a separate sheet of paper. All documents requiring signature must be signed** by the applicant. The Board can deny any application deemed to be incomplete.

****Section 118 of the General Property Tax Act states, "Any person who, under any of the proceedings required or permitted by this act shall willfully swear falsely, shall be guilty of perjury and subject to its penalties."**

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.					
Petitioner's Name				Daytime Phone Number	
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents		
Property Address of Principal Residence		City	State	ZIP Code	
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit			
PART 2: REAL ESTATE INFORMATION					
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.					
Property Parcel Code Number		Name of Mortgage Company			
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence			
Property Description					
PART 3: ADDITIONAL PROPERTY INFORMATION					
List information related to any other property owned by you or any member residing in the household.					
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.				Amount of Income Earned from other Property	
1	Property Address	City	State	ZIP Code	
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid	
2	Property Address	City	State	ZIP Code	
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid	

Continue on Page 2

PART 4: EMPLOYMENT INFORMATION — List your current employment information.					
Name of Employer					
Address of Employer		City	State	ZIP Code	
Contact Person		Employer Telephone Number			
PART 5: INCOME SOURCES					
List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.					
Source of Income			Monthly or Annual Income (indicate which)		
PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION					
List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.					
Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment	
PART 7: LIFE INSURANCE — List all policies held by all household members.					
Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured
PART 8: MOTOR VEHICLE INFORMATION					
All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.					
Make	Year	Monthly Payment	Balance Owed		

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 10: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION

The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

Continue and sign on Page 4

NOTICE: Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

☐ The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date

This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing MI 48909

Phone: 517-335-9760
E-mail: taxtrib@michigan.gov

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.			
City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		County	
Name of Local School District			
Parcel Identification Number		Year(s) Exemption Previously Granted by Board of Review	
Homestead Property Address	City	State	ZIP Code
PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)			
<input type="checkbox"/> I own the property in which the exemption is being claimed.			
<input type="checkbox"/> The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.			
<input type="checkbox"/> After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.			
PART 5: CERTIFICATION			
I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.			
Owner or Legal Designee Name (print)		Signature of Owner or Legal Designee	Date
Designee must attach a letter of authority.			
LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)		Tax Year(s) exemption will be posted to tax roll	
CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.			
Assessor Signature		Date Certified by Assessor	