

2026 CITY OF SOUTHFIELD

POVERTY EXEMPTION GUIDELINES & APPLICATION

PARCEL #: 76-24-

NAME(S):

PHONE:

HOUSEHOLD
SIZE:

GROSS
ANNUAL
INCOME:
2024:
2025:

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

The 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 and after filed will be reviewed at the next available Board of Review hearing. The final deadline to file an application is the day prior to the hearing of the December Board of Review during the year which exemption is requested. A request for Poverty may only be submitted **once** annually to the next Board of Review meeting after submittal.

The application forms, eligibility guidelines and a checklist of required documentation are attached. Please complete, sign, and submit the application and all requested documentation to the Assessing Department at least one day prior to the nearest Board of Review hearing. The required documentation must be submitted with the application for ***all persons residing in the homestead***. The application form that should be utilized is form 5737, *Application and Affirmation for MCL 211.7u Poverty Exemption*. The law no longer permits filing of form 5739 for unchanged circumstances from the previous year's *Poverty Exemption* request. Applicants must continue to file an application annually.

An Assessing Department staff member will contact you regarding any additional information needed by the Board. The Assessing Department and Board of Review reserve the right to request any income and asset documentation in addition to the applicant's checklist, including up to an entire year preceding the application date. 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 30 days of the notice date. The Tax Tribunal's phone number is (517) 335-9760 and the website is www.michigan.gov/taxtrib.

If you have any questions or need help filling out the application, do not hesitate to contact the Assessor's Office at 248-796-5230.

Sincerely,

A handwritten signature in black ink, appearing to read "JA Prysbylski".

Justin E. Prybylski, MMAO(4), MCPPE
City Assessor

Mayor
Dr. Kenson J. Siver

Council President
Charles Hicks

City Clerk
Gabi Grossbard

City Treasurer
Irv M. Lowenberg

City Council
Nancy L.M. Banks Ashanti Bland Daniel Brightwell Yolanda C. Haynes Coretta Houge Michael "Ari" Mandelbaum

GUIDELINES FOR 2026 POVERTY EXEMPTION

MCL Section 211.7u and P.A. 253 of 2020 define *Poverty Exemption* and provide that in addition to form 5737 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 was 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 2026 assessments, as approved by the State Tax Commission and Council:

Size of Family Unit	Income Guidelines	Southfield Adds 20%	Southfield Adds
1	\$ 15,650	\$ 18,780	all
2	\$ 21,150	\$ 25,380	household
3	\$ 26,650	\$ 31,980	medical*
4	\$ 32,150	\$ 38,580	expenses.
5	\$ 37,650	\$ 45,180	
6	\$ 43,150	\$ 51,780	Add
7	\$ 48,650	\$ 58,380	them
8	\$ 54,150	\$ 64,980	here.
For each additional person, add	\$ 5,500	\$ 6,600	*Must be verified with receipts paid by applicant

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

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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, with a 25%, 50% or 100% reduction in taxable value.

The City of Southfield has adopted a *Poverty Exemption* policy that grants full exemption, reducing the taxable value by 100% 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. The homeowner will still be responsible for all special assessments levied on the property. There is no requirement that the property taxes must be paid in full as of the application date. An exemption is typically granted for the current tax year only, but PA 191 of 2023 allows the July or December Board to retroactively approve exemption for the previous tax year, if the applicant qualified and requests the Board to review their application.

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: all applicants for poverty exemption may be investigated by the City to verify the validity of statements and information submitted in the application.*

Income: The 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. The City of Southfield adheres to the United States Census Bureau's definition of "income" which includes, but is not limited to:

- Money, wages, salaries before deductions, regular contributions from persons not living in the residence.
- Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions).

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- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI).
- Alimony, child support, military family allotments.
- Private and governmental retirement and disability pensions, regular insurance, annuity payments.
- College or university scholarships, grants, fellowships, assistantships.
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings.

Assets: In addition to meeting the income level requirements as noted above, Applicants must also meet requirements based on asset level, or otherwise stated requirements, such as savings accounts, checking accounts, certificates of deposit, investments (including collectable items purchased for their investment value), stocks, bonds, inheritances, life insurance policies, interest earnings/dividends, retirement funds, and ownership in other real estate property.

To be eligible for an exemption based on the asset level, or other standards, the following requirement must be met:

- Applicants shall report the total value of savings accounts, checking accounts, and certificates of deposit, all investments, stocks, bonds, inheritances, life insurance policies, interest earning/dividends, and retirement funds from all household members.
- Applicants shall report estimated value of any jewelry, antiques, artworks, equipment or other personal property of value, as well as withdrawals of bank deposits and borrowed money including gifts, loans, lump-sum inheritances, and one-time insurance payouts.
- Applicants shall not possess interest in any real estate or leasing other than their principal residence.
- The total value of any recreational vehicles or equipment shall not exceed the amount of the current annual property tax obligation. Recreational vehicles include snowmobiles, boats, jet skis, camping trailers, travel trailers, motorcycles and motor homes, off-road vehicles, or anything else which may be considered a recreational vehicle.

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 these documents for each account held by the applicant and all persons residing in the principal residence.

If an applicant does not qualify based on the asset level test, they will be denied *Poverty Exemption*. A denial of poverty exemption claim must be done to the Michigan Tax Tribunal, within 30 days from the date of the denial notice.

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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*
- Driver's License
- Deed, land contract, or other evidence of property ownership, if applicable
- Mortgage Statement showing balance
- Medical Receipts, if applicable
- Copy of 3 months most recent bank statements for every bank you have an account. (an entire year of bank statements can be requested, if necessary)
- Copy of 3 months most recent retirement fund statements
- 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.”**

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Application and Affirmation 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 where the property is located in each year on or after January 1 but before the day prior to the last day of the board of review. Poverty Exemptions may be heard by the Board of Review during its March, July, and December sessions.

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

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 Identification Number		Name of Mortgage Company	
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence	
Property Description			

PART 3: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)

- I own the property in which the exemption is being claimed.
- 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.

PART 4: 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
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City		State
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

PART 5: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer		City	State
Contact Person		Employer Telephone Number	

PART 6: 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 7: 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 8: 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 9: 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 10: 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 11: PERSONAL DEBT — List all personal debt for all household members.

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

PART 12: 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)

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 13: 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 14: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name	Daytime Telephone Number		
Mailing Address	City	State	ZIP Code

PART 15: 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
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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 30 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
Email: taxtrib@michigan.gov