

# POLICY & GUIDELINES FOR GRANTING POVERTY EXEMPTIONS

**FOR 2021 ONLY**

*Note: Revised for 2021-- Please Read Carefully*

Parcel #	76-24-
Name	
Phone	
# in Household	
Total Household Income	

**Assessing Department  
248-796-5230**

**City of Southfield  
26000 Evergreen Road  
P. O. Box 2055  
Southfield, MI 48037-2055**

Return by no later than: **March 1<sup>st</sup>**

<p>Date Stamped Received:</p>          
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## City of Southfield

26000 Evergreen Rd. • P.O. Box 2055 • Southfield, MI 48037-2055 • [www.cityofsouthfield.com](http://www.cityofsouthfield.com)

Dear City of Southfield Resident:

This office has received your request for a Poverty/Hardship Exemption regarding payment of your taxes. We have attached the application, the eligibility guidelines and a checklist of information which must be submitted. Please carefully complete and sign the application and submit the requested documentation to this office by the date listed on the face of the application. Be sure to include your phone number(s) so that we can contact you if necessary.

A copy of your current and past two years Federal and Michigan Income Tax Returns, including Schedule "C" (if applicable), the Michigan Property Homestead Credit Form, along with any W-2's and/or 1099 forms and submit with the application for ***all owners and co-owners as well as all persons residing in the homestead.***

If you applied for poverty exemption last year and previously supplied the above returns for the year prior to the current year, you do not have to resubmit the same form. In this situation only, you may submit only the most current year's returns.

The Board of Review will meet in March to review applications for Homestead Property Tax Relief (as provided for in Section 211.7u of the Michigan Compiled Laws). If the Board is not satisfied with all the documents provided or they have further questions, your application may be tabled until July, or December (as necessary), to allow for any lacking information to be provided or clarification of questionable information.

The Board of Review has the authority to "approve", "disapprove", or take "no action" if the information is not clear and accurate. If your income is incapable of supporting normal living expenses, a clear and concise letter is required to explain your ability to cover these expenses.

A written notification of the Board's action regarding your application will be mailed timely after adjournment of the scheduled hearing dates. A staff member will contact you regarding any additional information requested by the Board, but if the requested information is not received, the Board has no other option but to take "no action" on your appeal.

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

Sincerely,

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

Justin E. Prybylski, City Assessor

MR/Attachments

### Eligibility & Application

1. Petitioner must own and occupy as a homestead the property for which an exemption is requested.
2. Provide proof that the applicant owns and occupies the subject property as a homestead as of tax-day (December 31 of the prior year).
3. File with the City of Southfield Assessing Department a completed **SIGNED** Poverty/Hardship Application (see attached). Also include current and past two years **SIGNED** Federal & State Income Tax Returns, the Michigan Homestead Property Tax Credit form along with any W-2's and form 1099 for all owners, co-owners as well as all persons residing in the homestead including any property tax credit returns. If the applicant claims no income, then the application needs to include a signed IRS form 4506-T.
4. Submit a list of all assets (excluding the home) owned by all persons showing ownership or residing in the subject homestead. Households with assets exceeding \$30,000 shall not be eligible for any poverty exemption in the City of Southfield. A copy is required of the most recent statement for every bank, retirement fund, annuity, cash value life insurance policy, brokerage account or other financial asset accounts held by applicant or any person residing or having an ownership interest in applicant's household. These statements **MUST tie back to the SIGNED** Federal & State Income Tax Return. The statement should include the name of the entity holding the asset, the principal amount of the asset and the amount of any annual dividend or interest earned by the asset. Second homes should include the location, the last date of sale, the amount it was purchased for, and an estimate of its current value.
5. At the discretion of the applicant, if anyone in the household has extensive medical expenses, copies of receipts, paid by the applicant, of such expenses that occurred during the previous 12 months may also be submitted.
6. If necessary, schedule an appointment with a staff person in the Assessing Department to review documents.
7. Sign pages eight and thirteen of the application as an affidavit, swearing or affirming, under penalty of perjury, that all information submitted in the application is true. *Note: Page eight, paragraph 3 states: "Petitioners: Do not sign this application until witnessed by an employee of the Assessor, a Board of Review Member or a Notary Public.*
8. Applicant's signature will authorize the Assessing Department to do a financial check, if necessary. Applicants for poverty exemption may be investigated by the City in order to verify information submitted or statements made to the Assessing Department.
9. The Board of Review may waive any of the above requirements, if a majority of the Board members determine that there are, in their opinion, substantial and compelling reasons why there should be a deviation from the policy and guidelines, and if those reasons are communicated to the claimant.

## **Evaluation Procedure**

1. Applicants for the poverty exemption may be investigated by the City in order to verify information submitted or statements made to the assessing department.
2. Upon completion of the application, the applicant will sign the following oath:

**I do swear/affirm, under penalty of perjury, that all the information submitted in my application for Poverty Exemption is true. My signature authorizes you to conduct a financial credit check if necessary.**

## **Criteria for Determining Exemption**

1. Income: The total income of the applicant and each member of the applicant's household **shall not exceed** the FEDERAL PROVERTY INCOME STANDARDS, as defined and determined by the US Office of Management and Budget. The City of Southfield has increased this amount by an additional 20% to better assist those in need to qualify to be reviewed by the Board of Review.
2. Assets: The **total value** of the assets (excluding the home and car) **for all persons showing ownership or residing in the homestead shall not exceed \$30,000.**
3. If an application is approved by the Board of Review, the new derived taxable value will be adjusted so that the re-calculated property taxes do not exceed 15% of the household income. This amount may be further reduced if receipts for out-of-pocket medical expenses are provided to the assessor. This calculation is based on 10% of household income for senior citizens (where any one (or more) resident(s) is 62 years of age or older.

Also, there is no requirement that property taxes are all paid up to date.

4. Occupancy: In order to be eligible for a poverty/hardship exemption, the applicant must own and occupy their homestead as of the previous December 31.

## POVERTY EXEMPTION APPLICATION

I, \_\_\_\_\_, Petitioner, being the owner and residing at the property that is listed below as my principal residence, apply for property tax relief under MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893. The principal residence of persons who, in the judgment of the city Assessor and Board of Review, by reason of poverty are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation per MCL 211.7u(1).

**In order to be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all owners and co-owners as well as all persons residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.**

**PERSONAL INFORMATION:** Petitioner must list all required personal information.

Property Address of Principal Residence:		Mailing Address of Petitioner (if different):	
Age of Petitioner: Birth Date:	Daytime Phone Number:	Marital Status:	Age of Spouse: Birth Date:
Number of Legal Dependents:			
Applied for MI Homestead Property Tax Credit (see State of Michigan Income Tax filing) <input type="checkbox"/> Yes <input type="checkbox"/> No		Amt of MI Homestead Property Tax Credit \$_____	
Is this the first year that you applied for a poverty exemption: <input type="checkbox"/> Yes <input type="checkbox"/> No			

**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 BOR meeting.

Property Parcel Code Number:		Name of Mortgage Company:	
When was your home purchased:		Purchase Price:	
Unpaid Balance Owed on Principal Residence:	Monthly Payment (incl. taxes):	Length of Time at This Residence:	
Who Pays the Mortgage Payment?		All Taxes are Paid to Date: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Have any improvements or additions, been made to this home in the past two years? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, list those additions and/or improvements _____ _____ _____	
Property Description:			

**ADDITIONAL PROPERTY INFORMATION:** List information related to any other property you, or the co-owner as well as any household member owns.

Do you own, or are buying other property <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, complete the information below.		Amount of Income Earned from Other Property:	
Property Address	Name of Owner(s)	Assessed Value	Amt.&Date of Last Taxes Pd

## POVERTY EXEMPTION APPLICATION

**EMPLOYMENT INFORMATION:** List your current employment information.

Name of Employer:		Name of Contact Person at Place of Employment:	
Address of Employer:		Employer Phone Number:	
Occupation:		Tax ID #:	
Check the items below in the shaded area which apply:			
<input type="checkbox"/> Full Time employment	_____ how long	<input type="checkbox"/> Laid off	_____ how long
<input type="checkbox"/> Part Time employment	_____ how long	<input type="checkbox"/> Retired	_____ how long
<input type="checkbox"/> Unemployed	_____ how long	<input type="checkbox"/> Disabled	_____ how long
<input type="checkbox"/> Self-Employed	_____ how long	<input type="checkbox"/> Business Interest	_____ how long

**List all income sources** for ALL owners, co-owners (whether they reside in the subject house or not) as well as all persons residing in the homestead, including, but not limited to: wages/salaries/tips, self-employed net income, Social Security, SSI, pensions, IRA's (individual retirement accounts), or other retirement income, rents, unemployment compensation, welfare assistance, disability, government pensions, worker's compensation, interest/dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, Michigan homestead tax credits, and home heating credits, any income from life insurance proceeds that are above the customary and routine funeral expenses or any other source of income. Household income does NOT include food stamps or tuition assistance.

**Attach Verification:** Verification (W-2's, 1099's, SSI Statements) must be submitted for all owners, co-owners as well as all persons residing in the household. Failure to attach verification will result in non-processing of the application. If IRS 1040 statements have not been filed, applicant must request a transcript or verification of non-filing from the IRS (Form 4506T).

Source of Income:	Petitioner	Spouse	Other	Monthly or Annual Income (indicate which)

NOTE: List here the value of the principal: \$ \_\_\_\_\_

**CHECKING, SAVINGS AND INVESTMENT INFORMATION:** List any and all savings owned by all owners, co-owners as well as 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.

Name of Financial Institution or Investment	Amount of Deposit	Current Interest Rate	Name on Account	Value of Investment

NOTE: List here the value of the principal \$ \_\_\_\_\_

**LIFE INSURANCE:** List all policies held by all owners, co-owners as well as all household members.

Name of Insured	Amount of Policy	Monthly Payment	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

**MOTOR VEHICLE INFORMATION:** List all motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by all owners, co-owners as well as any person residing within the household.

Make & Model	Year	Monthly Payment	Balance Owed	Payment Made by:

**POVERTY EXEMPTION APPLICATION**

**LIST ALL PERSONS LIVING IN HOUSEHOLD:** All persons residing in the residence must be listed below as well as any co-owners of the homestead.

First & Last Name	Age	Birth Date	Relationship to Applicant	Place of Employment	Amt. of Monetary Contribution to Family Income

**PERSONAL DEBT:** List all personal debt for all household members as well as any co-owners of the homestead.

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

**MONTHLY EXPENSE INFORMATION:** The amount of monthly expenses related to the principal residence for each category must be listed below. Indicate N/A as necessary.

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

POVERTY EXEMPTION APPLICATION

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: Per MCL 211.7u(2b), a copy of all household members federal income tax returns, 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. Documentation for all income sources including, but not limited to, credits, claims, Social Security income, child support, alimony income, and all other income sources must be provided at time of application

Petitioners: Do not sign this application until witnessed by an employee of the Assessor, a Board of Review Member or a Notary Public

STATE OF MICHIGAN )
COUNTY OF OAKLAND )

I, the undersigned Petitioner, 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 \_\_\_, 20\_\_

Assessor Signature: \_\_\_ Printed Name: \_\_\_

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

Notary Signature: \_\_\_ Printed Name: \_\_\_

My Commission Expires: \_\_\_\_\_

This application shall be filed after January 1, but BEFORE March 1ST to the address below. This allows for evaluation and approval by the Board of Review.

Board of Review
c/o Justin E. Prybylski, Assessor
City of Southfield
26000 Evergreen Rd.
P. O. Box 2055
Southfield, MI, 48037-2055

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 35 DAYS OF THE DENIAL. A COPY OF THE BOARD OF REVIEW DECISION MUST BE INCLUDED WITH THE FILING.

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



## POVERTY EXEMPTION APPLICATION

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### RESOLUTION FOR POVERTY EXEMPTION

**WHEREAS**, the adoption of guidelines for poverty exemptions is required of the Board of Review; and

**WHEREAS**, the principal residence of persons, who the Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

**WHEREAS**, pursuant to PA 390 of 1994, the City of Southfield, Oakland County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all of the following on an annual basis:

- 1) Be an owner of and occupy as a principal residence the property for which an exemption is requested
- 2) File a claim with the Assessor or Board of Review, accompanied by **SIGNED** 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.
- 3) File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include, but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
- 4) Produce a valid driver's license or other form of identification if requested.
- 5) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
- 7) **The application for an exemption shall be filed after January 1, but before March 1<sup>ST</sup> to allow for evaluation and approval by the Board of Review.** The filing of this claim **AND ALL REQUIRED DOCUMENTS** constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The following are the federal Poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all owners, co-owners, and persons residing in the principal residence.

**POVERTY EXEMPTION APPLICATION**

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***Federal Poverty Guidelines for 2021 Assessments***

Following are the Federal Poverty Guidelines for use in setting poverty exemption guidelines for 2021 assessments as approved by the State Tax Commission in Bulletin No. 14 of 2020, October 20, 2020:

Size of Family Unit	Poverty Guidelines	Southfield Adds 20%	Southfield Adds
1	\$12,760	\$15,312	all
2	\$17,240	\$20,688	household
3	\$21,720	\$26,064	medical*
4	\$26,200	\$31,440	expenses.
5	\$30,680	\$36,816	
6	\$35,160	\$42,192	Add
7	\$39,640	\$47,568	them
8	\$44,120	\$52,944	here.
For each additional person, add	\$4,480	\$5,376	

\*Must be verified by copies of receipts paid by applicant

**POVERTY EXEMPTION APPLICATION****Petitioners Check List**

*Petitioner must supply the following documentation for **ALL** owners and co-owners of the property as well as all persons residing in this homestead:*

- SIGNED Federal Income Tax Returns for Current & Past 2 Years
- SIGNED State of Michigan Tax Returns for Current & Past 2 Years
- W-2 form, 1099, or Schedule "C" to verify income
- Social Security Benefit Statement (Form SSA 1099)
- Michigan Homestead Property Tax Credit
- Michigan Home Heating Credit
- Driver's License
- Copy of Refund Check from the State (or check stub)
- Mortgage Coupon Book or Statements
- Medical Receipts, if requested
- Copy of most recent bank statement for every bank where you do business
- 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

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

***These documents are MANDATORY. If any of the requested documentation does not apply to your situation, please print "Not Applicable" next to that item and give a brief explanation in the comments section. These documents must be returned before any decision can be made or NO ACTION will be taken.***

If you applied for a poverty exemption last year and supplied the above returns for the year prior to the current year, you do not have to submit the same form again. In this situation only, you may submit only the past year's returns.

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

**POVERTY EXEMPTION APPLICATION**

Michigan Department of Treasury  
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**