

Southfield Township

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James M. O'Reilly, *Supervisor*
Sharon Tischler, *Clerk*
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TRUSTEES

Bonnie Cook
Daniel Nelson
Paul A. Newitt
Jon M. Oen

MEMO

TO: Southfield Township Board of Trustees
FROM: James O'Reilly, Township Supervisor
DATE: January 9, 2024
RE: Poverty Exemption Guidelines

The Township Poverty Guidelines provide the potential for the Board of Review to grant property tax reductions for persons with assets less than two hundred fifty thousand dollars and whose income does not exceed the federal poverty income standards as of 11/14/2023. In April of 2021, following recommendations from the Board of Review, it was decided that an adjustment to those standards was necessary and the Board of Trustees adopted the Township standards for poverty exemptions would follow the Federal Poverty Income Standards issued by the OMB, multiplied by a rate of 250% (x 2.5). Those standards, and proposed adjusted standards are specified below.

Suggested Resolution:

WHEREAS, the Board of Review recognizes a need to have available a procedure by which residents can make application for property tax relief, and

WHEREAS, MCL 211.7u(1) defines poverty or hardship exemption as a method to provide relief for those who, in the judgment of the Board of Review are unable to fully contribute to the annual property burden of their principal residence due to their financial situation, and

WHEREAS, by statute, procedures and guidelines for financial hardship appeals for property tax relief must be approved by the Board of Trustees, and

WHEREAS, income guidelines to be utilized by the Board of Review have been established in accord with PA 390 of 1999 and PA 253 of 2020, and

WHEREAS, the Southfield Township Board of Trustees has determined in April 2021 that, while the Federal Poverty standards issued by the OMB each year should be adopted, they should be adjusted by a rate of 250%

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NOW, THEREFORE BE IT RESOLVED by Cook, supported by Chalifoux that poverty or hardship exemption applicants must meet the Federal Poverty Income Guidelines issued by the OMB as of 11/14/2023, multiplied by a rate of 250% (x 2.5). Those proposed income standards are listed below.

ROLL CALL:

Ayes: Harryvan, Chalifoux, Nelson, Cook, Newitt, Oen, O'Reilly
Nays: None
Absent:

<u>size of family unit</u>	<u>Federal poverty Income guidelines for 2025</u>	<u>250% poverty amount</u>
1	\$ 15,060	\$ 37,650
2	\$ 20,440	\$ 51,100
3	\$ 25,820	\$ 64,550
4	\$ 31,200	\$ 78,000
5	\$ 36,580	\$ 91,450
6	\$ 41,960	\$104,900
7	\$ 47,340	\$118,350
8	\$ 52,720	\$131,800
for each additional person, add	\$ 5,380	\$ 13,450

Adopted: January 9, 2024

SOUTHFIELD TOWNSHIP BOARD OF REVIEW

Southfield Township Board Policy for Applicants Requesting Consideration Under SECTION 211.7u of the GENERAL PROPERTY TAX ACT OF 1893: THE MICHIGAN HOMESTEAD POVERTY EXEMPTION.

APPLICATION PROCEDURES AND GUIDELINES

1. All applicants must obtain the proper current application from the Township's office, website or Oakland County Equalization. Physically disabled or infirmed applicants may call the Township office to make necessary arrangements for assistance. Applications will be accepted after January 1st through the day prior to the last day of the Board of Review.
2. Applicants will NOT be eligible for consideration if their income as reported on their income tax forms are greater than two and a half (2.5x) times the most current Federal Poverty Guidelines from the prior tax year determined annually by the United States Office of Management and Budget, to be updated annually. The annual allowable income includes the income for all persons residing in the principal residence.
3. Hardship exemption shall not be granted if the total value of the assets of the applicant and each member of the applicant's household exceed \$250,000. Excluding the property for which the exemption is requested and the principal vehicle BUT including all other property; including from all other persons residing in the household. Property shall include, but is not limited to: cash, savings, stocks, mutual funds, insurance commodities, coin collections, boats, jewelry, art, motor vehicles, recreation vehicles, second homes, cottages or any other saleable real property or other tangible items.
4. If a person meets the eligibility requirements, the Board may grant 100%, 50% or 25% exemption.
5. All applicants must be the property's OWNER and reside therein.
6. All applicants must fill out an application form in its entirety and return it either in person or by mail if physically unable to appear before the Board of Review.
7. Applicants MUST submit the most recent year's copies of the following for ALL residing in the Homestead:
 - a. Federal Income Tax Return-1040 or 1040A or 1040E.
 - b. Michigan Income Tax Return-MI1040, MI1040A or MI1040EZ.
 - c. Either a Senior Citizens Homestead Property Tax Form MI-1040CR-1 or General Homestead Property Tax Claim MI-1040CR-4.
 - d. Statement from Social Security Administration and/or the Michigan Social Services as to monies paid to applicants during the previous year, and a signed Form 4988 (attached).
8. Produce a valid driver's license or Michigan State Identification card for all persons residing in the household if the board requests it.

9. Produce a deed, land contract or other evidence of ownership of the property if the board requests it.
10. A poverty exemption will be considered for the current year only. A new application must be submitted annually.
11. The applicant may be required to comply with any additional eligibility requirements as determined by the Township Board.

POVERTY APPLICATION CHECK LIST

Applications may be filed w/ this office beginning January 1, but in no event later than the day prior to the last day of the Board of Review.

Applicants must submit most recent year's copies of the following for all persons residing in the homestead:

- Completed Signed Poverty Exemption Application.
- Most recent year copy of Federal Income Tax Return – 1040 or 1040A for all persons residing in the home. (Please include supporting documents i.e. W-2 Forms, 1099 Forms).
- Most recent year copy of State of Michigan Income Tax Returns for all persons residing in the home.
- Copy of filed Senior Citizens Homestead Property Tax Form MI-1040CR-1
- or General Homestead Property Tax Claim MI-1040CR-4MI-1040-CR.
- If applicant did not file Michigan State Income Tax Return, they MUST provide an annual statement of benefits paid from the Social Security Administration or Michigan Department of Social Services and must sign State of Michigan Form 4988 Poverty Exemption Affidavit (attached).
- W-2 Forms (Do not need if on Social Security).
- The applicant must supply a copy of current driver's license or other form of valid identification if requested.
- If requested, the applicant must provide a deed, land contract or other evidence of ownership of the property they are claiming the poverty exemption for.

* All requested information must be included with Poverty Exemption Application. Without the above information the Board will not consider your application.

2025 FEDERAL POVERTY GUIDELINES

US Department of Health & Human Services

STC Bulletin 17 of 2024

Size of Family Unit	2.5x Federal Poverty Guidelines
1	\$ 37,650
2	\$ 51,100
3	\$ 64,550
4	\$ 78,000
5	\$ 91,450
6	\$ 104,900
7	\$ 118,350
8	\$ 131,800
For each additional person	\$ 13,450

Asset Limit: the total value of the assets of the applicant and each member of the applicant's household shall not exceed \$250,000. Excluding the property for which the exemption is requested and the principal vehicle BUT including all other property; including from all other persons residing in the household. Property shall include, but is not limited to: cash) savings) stocks, mutual funds, certificates of deposit, insurance commodities, coin collections, boats, jewelry, art, motor vehicles, recreational vehicles, second homes, cottages or any other saleable real property or other tangible items.