ASSESSMENT/ TAX YEAR 2017
CITY OF BURTON
APPLICATION INSTRUCTIONS FOR POVERTY TAX EXEMPTION

(Adopted: February 6, 2017- Burton City Council)
Pursuant to Section 211.7u
Michigan Complied Laws

The Application for One- Year Poverty Exemption is in keeping with the requirements of the state of Michigan with regard to poverty exemptions. Filing of this form is necessary to determine if you qualify for a Poverty Tax Exemption. The following questions are necessary in order to determine poverty status and asset status.

Please read these instructions carefully. To be considered for a poverty exemption, the following information must be provided. All applicants MUST be complete and contain accurate information or they will not be considered.

1. COMPLETE ALL SECTIONS OF THIS APPLICATION
2. Submit a completed and signed copy of the following:
   - ☐ 2016 Michigan Homestead Property Tax Credit Claim (MI 1040 CR).
   - ☐ 2016 Federal Income Tax Return (1040), if you are required to file Federal Income Tax.
   - ☐ 2016 Federal Income Tax Return (1040) for all other occupants of your home.
   - ☐ Income Verification or Michigan Department of Treasury Form 4988
   - ☐ A copy of Michigan Driver's License, or Michigan Personal Identification Card.
   - ☐ A copy of Deed
   - ☐ ***Applications submitted without completed forms or income tax returns will NOT be processed.***
3. If an occupant of your home is not employed but has income from another source, you must show the income on your application
4. The application must be legible. If you need to provide additional information, please attach a separate sheet do not write in the margins of the application**.**
5. Do not submit originals of supporting documentation as we must keep these for our records and cannot return them.
6. If the application is incomplete or you do not include copies of the required financial documents, it may be considered ineligible for a poverty exemption.

RETURN THE APPLICATION AND REQUIRED DOCUMANTATION AS SOON AS POSSIBLE TO ALLOW TIME FOR REVIEW, BEFORE IT IS SUBMITTED TO THE BOARD OF REVIEW.

MARCH BOARD OF REVIEW: SUBMIT BY MARCH 1, 2017

JULY BOARD OF REVIEW: SUBMIT BY JULY 7, 2017

DECEMBER BOARD OF REVIEW:SUBMIT BY DECEMBER 9, 2017

CONFIDENTIAL – RESTRICTED ACCESS

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.

YEAR: **2017**

PARCEL NO: _____

POVERTY TAX EXEMPTION APPLICATION

Confidential Information

PETITIONER INFORMATION

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.

Name: _____ Date of Birth:_____
Phone Numbers: Daytime:_____Evening:_____
Cell: _____

Property Address for Which Relief is Being Sought:

_____
_____

Marital Status	No. of Years
☐ Married	_____
☐ Divorced	_____
☐ Widowed	_____
☐ Separate	_____
☐ Single	_____

PETITIONER EMPLOYMENT STATUS

☐ Disabled- No. Of years _____
☐ Do you qualify for disability benefits ☐Yes ☐No
☐ Employed Full-Time
☐ Employed Part-Time
☐ Retired- No. of year's _____
☐ Unemployment- No. Of year _____
☐ Laid-off – No. of year's _____
☐ Other _____

Occupation (If employed) _____

Employer: _____
Address: _____

Telephone: _____

SPOUSE EMPLOYMENT STATUS:

☐ Disabled- No. of years _____
☐ Do you qualify for disability benefits ☐Yes ☐No
☐ Employed Full-Time
☐ Employed Part-Time
☐ Retired No. of year's _____
☐ Unemployed- No. of years _____
☐ Laid-off- No. Of years _____
☐ Other _____

Occupation (If employed) _____

Employer: _____
Address: _____

Telephone: _____

Describe any disabilities or health problems:

_____
_____

Have you applied for Homestead Property Tax Credit this year? _____

A. How much was your Property Tax Credit? _____

Attach copy of 1040 CR and Federal or State Income Tax return for each person residing in the Homestead, if filed for the current or proceeding year.

MORTGAGE INFORMATION

B. Purchase Date: _____ Amount Paid: _____
C. Mortgage/ Land Contract Balance: _____
D. Monthly Payment: _____ Does this payment include taxes? ☐Yes ☐No
E. Number of Years Remaining on the Mortgage/ Land Contract: _____
F. Are your property taxes paid? ☐ Yes ☐ No
G. Did you apply for a poverty exemption last year? ☐ Yes ☐ No

OTHER REAL ESTATE HOLDINGS:

H. Do you, your spouse, or any other person residing in the homestead have a financial interest in other real estate? If yes, please provide the following information concerning that financial interest.

Location – City & State	Tax I.D. Number of Property	Value of Property	Amount of Equity

(Attach additional sheet of paper if necessary)

I. Are you and/ or your spouse the sole owners of the subject property? ☐ Yes ☐ No
If no, list all owners and their percentages of ownership:

Owner's Name	Percentage of Ownership
	0%
	0%
	0%
	0%

(Attach an additional sheet of paper if necessary)

J. Do you currently occupy the residency ☐Yes ☐ No If no, please explain:

_____
_____
_____

K. Have any improvements, changes or additions been made to the property in the last two (2) years?
☐Yes ☐No. If yes, please explain:

_____

_____

L. Do you anticipate selling the Homestead property for which relief is sought in the next year?
☐Yes ☐No. Please Explain:

_____

_____

M. Does anyone contribute to your support? ☐Yes-Amount _____ ☐No, Explain

_____

_____

N. Is anyone able to contribute to your support? ☐Yes ☐No

RESIDENT STATUS

O. Please list all the people currently living in your household other than yourself and spouse:

	1	2	3	4
Name				
Age				
Relationship				
Occupation				
Annual Income				
Claimed as Dependent	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
Heir to Estate?	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No

ASSET INFORMATION

P. Assets- List all assets:

Cash		Other - describe	Net Value
Savings Account (s)			
Checking Account			
Stocks & Bonds			
Certificates			
Insurance			
Other			

VEHICLES, CARS, TRUCKS, BOATS, TRAILERS, ECT.

Q. VEHICLES – List vehicle(s) that members of the Homestead own / drive. Include leased vehicles.

Driver/ Owner	Year	Make	Model

(Attach an additional sheet of paper if necessary)

LOAN DEBT

R. Do you have other loans or land contracts that are outstanding? ☐Yes ☐ No

To Whom	
Address	
Monthly Payment	
Current Balance	

To Whom	
Address	
Monthly Payment	
Current Balance	

(Attach an additional sheet of paper of other loans or land contracts that are outstanding if necessary)

EXPENSE INFORMATION

Expenses

S. Monthly Household:

House Payment		Taxes On Principle Residency		Water	
Heating – Gas / Oil		Taxes on Property		Electricity	
Telephone		Cable T.V.		Cars	
Vehicles					

T. Insurance:

Life	
Home	
Auto	

U. Monthly Medical Expenses:

Persons Name	Relationship	Hospital	Doctor	Prescriptions

V. PERSONAL DEBTS:

Person or Company	Purpose of Debt	Date Debt Incurred	Original Amount of Debt	Monthly Payment	Balance Remaining
			$	$	$
			$	$	$
			$	$	$
			$	$	$
			$	$	$
			$	$	$
			$	$	$

(VERIFICATION OF EXPENSES MAY BE REQUIRED)

Do you have any major or unusual expenses? ☐ Yes ☐ No
If yes, Please explain:

_____

_____

_____

(Please attach an additional sheet
of paper if necessary)

INCOME INFORMATION

W. OTHER ASSETS AND INCOME DATA

List all sources of personal income. Income includes all money coming into the household from any source of person.

Source	Annual Income	Source	Annual Income
Employment		Pension	
Social Security / SSI		Unemployment Compensation	
Workman's Comp		Welfare Assistance / Food Stamps / WIC	
A.D.C. & GA Benefits		Alimony	
Interests & Dividends		Child Support	
Insurance		Gifts/ Other	

X. HOUSEHOLD INCOME

List the total income for each person residing in the household. Attach an additional sheet of paper if necessary.

Name	Total Income in 2016	Total Income in 2015
Petitioner:		
Spouse:		
Other Person:		
Other Person:		

GRAND TOTAL OF 2016 INCOME: $ 0.00 _____

Y. What was the total income from all sources of everyone living in your household for the past two (2) years?

Last year _____ Prior year _____

Z. Do you anticipate any major change in income from the coming year: ☐ Yes ☐ No
(If yes, please explain)

_____
_____
_____

PLEASE READ EACH POINT CAREFULLY AND PUT A CHECK STATING YOU HAVE READ EACH POINT:

☐ I/We, am/are unable to pay the full property taxes on the above described property and hereby make application for the property tax relief in accordance with Section 211.7u Michigan Compiled Laws and City of Burton Poverty Guidelines.

☐ I/We have read this application and fully understand the contents thereof.

☐ I/We declare that the statements made herein are complete, true, and correct to the best of my/our knowledge.

☐ I/We further understand that if any information contained herein is found to be false or incomplete, any and all relief granted by this application will be forfeited and placed back on the assessment roll with penalties and interests occurring on the additional tax liability in accordance with Section 211.119 Michigan Compiled Laws.

☐ I/We further understand that if this application is incomplete or

☐ I/We fail to include all sources of income this application will not be considered by the Board of Review and that

☐ I/We confirm to the attached income and Asset guidelines.

PLEASE SIGN AND DATE Applicant's Signature: _____ Date: _____

Applicants Name Printed: _____

PLEASE SIGN AND DATE Spouse's Signature: _____ Date: _____

Spouse's Name Printed: _____

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

2017
CITY OF BURTON
GUIDELINES FOR GRANTING POVERTY TAX EXEMPTION
(Adopted: February 6, 2017- Burton City Council)
Pursuant to Section 211.7u
Michigan Complied Laws

I. **General Overview**

The Board of Review of the City of Burton recognizes the need to have available a procedure by which residents in need of assistance under MCL 211.7u can make an application for property tax relief. The Board of Review further recognizes that, pursuant to statute, as well as case law, they must adopt procedures and guidelines, approved by Burton City Council, to be used as standards when considering appeals made based on financial hardship. The Board of Review understands that these guidelines must be adhered to when reviewing hardship appeals, and reserves the right to make individual considerations within their authority, as they feel necessary. Any form submitted that is inaccurate or not fully completed will result in a denial of the appeal. All information in the form is subject to verification from the Board of Review or the Assessor's Office.

All applicants must obtain the proper applications from the Board of Review. All applicants, if approved by the Board of Review, will pay based on an assessment which will produce a property tax liability equal to 5% of their gross income. The effect of the property tax rebate feature of the Michigan Income Tax will be considered when making this calculation. No one will be reduced to a zero assessment. Additionally, the Board of Review will consider all revenue and non-revenue producing assets during its deliberation as to whether relief shall be granted.

Applications must be filed every year. If granted, the exemption is for one year only.

II. **Basic Filing Requirements**

In order to be considered for exemption under MCL 211.7u each applicant must:

A. Own and occupy the property as a homestead, defined by law, for which the request is being made. This may include vacant, contiguous property as long as it is considered part of the principal homestead.

B. Complete and submit an Application for Poverty Tax Exemption on a form designated and supplied by the City of Burton Assessor's Office.

C. Submit income verification as required. This must include current Federal and State Income Tax Returns, State Homestead Property Tax Credit Forms, or any additional information requested by the Board of Review.

D. Submit a copy of your Michigan Driver's License or a Michigan Personal Identification Card.

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III. **Processing Applications**

Once an Application for Poverty Tax Exemption is completed and returned to the Assessor's Office, the assessing staff will review the information provided. The assessing staff will complete and attach a Poverty Tax Exemption Worksheet to each appeal. The worksheet will summarize the application and provide the Board of Review with specific information, income of the applicant, an estimated tax amount for the property, a summary of the estimated Homestead Property Tax Credit for the property and the estimated net property tax liability to the homeowner.

After the above referenced information is compiled, the entire packet will be submitted to the Board of Review to be considered for tax relief in a work session. The Board of Review will determine if Income standards have been met. The Board of Review will determine if Asset limits have been met. The Board of Review, in making their decision, may contact the applicant for any additional information they deem necessary.

- Extraordinary or unusual expenses are, for the purpose of this application, to indicate expenses that are not considered normal or that are not usually incurred as a Head of Household. The Board of Review shall examine each application for valid extraordinary expenses.

- If, in the decision of the Board of Review, the expenses are deemed valid, the Board of Review shall have the authority to review that application separately from the printed guidelines, to determine if the applicant qualifies for a poverty exemption.

- All applicants will be evaluated based on data submitted to the Board of Review by petitioner and testimony taken from petitioner and information gathered from any source the Board of Review may deem necessary.

- Any successful applicant may be subject to investigation of their financial and property records by the City of Burton. This would be done to verify information submitted or statements made to the Board of Review or Assessor concerning their poverty tax claim.

- The Board of Review shall follow the guidelines established herein when granting or denying an exemption.

The Board of Review shall also reject any application where the information contained in it appears fraudulent, misleading or incomplete.

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IV. **Income Guidelines**

The income guidelines used by the Board of Review have been established in accordance with P.A. 390 of 1994 and shall be adhered to unless accompanied by special circumstances. In determining qualifications for tax exemption, the Board of Review shall consider every variable on the application, including total household income, the nature and duration of the income stream, the state equalized value of the subject property, the quality and accuracy of the information submitted and any other such evidence, as they feel appropriate in making their decision. In general, however these guidelines shall assist the Board of Review in their decisions.

Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2017 assessments. These are based on STC Bulletin No. 12 of 2016.

Persons in Household	Household Income
1	$ 11,880
2	$ 16,020
3	$ 20,160
4	$ 24,300
5	$ 28,440
6	$ 32,580
7	$ 36,730
8	$ 40,890
For each additional person, add	$ 4,160

Note: PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available.

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V. Asset Guidelines

As required by P.A. 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit SHALL also include an asset level test. The following assets **shall not** be considered when applying an asset test to determine qualification for tax exemption.

i. The value of the applicant's primary residence subject to the exemption request along with any contiguous residential land, **except as follows:**

> ***Under no circumstances shall a poverty exemption be granted on a principal residence purchased within one (1) year from appeal date. Unless petitioner files documentation supporting claim.***
>
> ***Any category of physical (or tangible) structure added to the property in the previous calendar year with a true cash value not to exceed $2,000.00. Unless petitioner files documentation supporting claim.***

ii. The value of all personal property, such as furniture and clothing.

Notwithstanding the value of property listed above, in order to be considered for tax exemption under MCL 211.7u, the value of all additional assets **shall not exceed five (5) times the annual household income of the applicant.** The Board of Review will consider all revenue and non-revenue producing assets during its deliberation as to whether relief shall be granted. If liquid assets (assets that can be readily converted to cash) exceed five times the gross income and no more cash than an amount equal to one month's gross household income. Assets do include:

- Stock
- Bonds
- Mutual Funds
- Insurance Policies
- Coin Collections
- Boats
- ORVs
- Motorcycles
- Recreational Vehicles
- Second Homes
- Salable Property
- Retirement Accounts
- Jewelry, etc.

Non-Cash assets to the total household may not exceed $10,000. Non-Cash assets are defined as those, which are not considered to be cash assets are included from this limit:

- Applicant's Homestead
- Applicant's household personal property
- Assets not accessible by the applicant, co-owner, or any member of the applicant's household

The Board of Review retains the authority to examine that application separate from the printed guidelines to determine if that applicant qualifies for a poverty exemption.

All asset information, as requested in the Application for Property Tax Exemption must be completed in total. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may reject any application if assets are not properly identified.

VI. **Summary**

In conclusion, the Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for the City of Burton takes this task seriously and attempts to provide relief to all deserving residents within the city. The Board of Review may deny any appeal, regardless of income, if the financial hardship appears to be self-created by the actions of the person or persons making the application. The Board of Review may deviate from the guidelines if it determines there are substantial and compelling reasons, which are to be communicated, in writing, by the applicant. The Board of Review reserves the right to modify these guidelines as necessary.

The City Council shall retain the authority, under P.A. 390 of 1994, and as further amended by PA 620 of 2002, to review and change these guidelines, as it deems necessary.

Michigan Department of Treasury
4988 (5-12)

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: _____

_____

PLEASE SIGN AND DATE

_____ _____
Signature of Person Applying for Affidavit Date

_____
Print Name of Person Applying for Affidavit

You will need to print and return this entire completed application along with the required documentation to the:
City of Burton- Assessing Department
4303 S. Center Rd.
Burton, MI 48519
Any questions please feel free to contact our Assessing Office Monday- Friday 9:00am-5:00pm at (810) 743-1500 ext. 1351