

**IDA TOWNSHIP RESOLUTION
POVERTY TAX EXEMPTION GUIDELINES
#R24-A**

(Pursuant to Public Act 390 of 1994, amended by PA 620 of 2002, PA 253 of 2020, PA 191 of 2023)

Filing Requirements: 2024

In order to file and qualify for the property tax poverty exemption, the claimant must do all of the following and meet each of the following requirements annually:

To be eligible, a person shall do all 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 Ida Township, *accompanied* by federal and state tax returns for all persons residing in the principal residence, including any property tax credit returns filed in the immediately preceding year or current year or a signed State Tax Commission Form 4988: Poverty Exemption Affidavit.
- 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, proof of primary residence, a deed, land contract, or other evidence of ownership of the property for which an exemption is being requested.
- 6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services and list of assets 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 form 5737 and 5739 and any supporting documentation for an exemption shall be filed after January 1, or one day before the December Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

INCOME STANDARDS

1. In order to meet the requirement of the Income Standards the claimant's annual gross household income cannot exceed the amounts stated below. For the Year 2024

2024 Federal Guidelines

Size of Family Unit	100% Relief	75% Relief	50% Relief	25% Relief
1	\$14,580	\$18,225	\$21,870	\$25,515
2	\$19,720	\$24,650	\$29,580	\$34,510
3	\$24,860	\$31,075	\$37,290	\$43,505
4	\$30,000	\$37,500	\$45,000	\$52,500
5	\$35,140	\$43,925	\$52,710	\$61,495
6	\$40,280	\$50,350	\$60,420	\$70,490
7	\$45,420	\$56,775	\$68,130	\$79,485
8	\$50,560	\$63,200	\$75,840	\$88,480
For Each additional person	\$5,140	\$6,425	\$7,710	\$8,995

Ordinary income includes the following:

1. Money wages and salaries before any deductions, regular contributions from persons not living in the residence
2. Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)
3. Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI)
4. Alimony, child support, and military family allotments or other regular support from an absent family member for someone not living in the household.
5. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
6. College or university scholarships, grants, fellowships, and assistantships.
7. Dividend
8. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Ordinary income does not include the following, but is considered an asset.

1. Recreational vehicles such as campers, motor-homes, boats and ATV's
2. Buildings other than the residence
3. Jewelry, antiques, artworks
4. Equipment, other personal property of value
5. Bank accounts (over a specified amount), stocks
6. Money received from the sale of property, such as, stocks, bonds, a house or car (unless a person is in the specific business of selling such property)
7. Withdrawals of bank deposits and borrowed money
8. Gifts, loans, lump-sum inheritances, and one-time insurance payments
9. Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms
10. Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches

ASSET STANDARDS

Asset Eligibility Limitations

In order to meet the requirements for assets, **excluding the principal residence and one vehicle**, the total current fair market value of the claimant's household assets, cannot exceed a multiplier of 1.015 of the federal poverty income standards for the current year assessments. The base for the multiplier is based on the size of the family unit.

*Example: For 2024 The Federal Guideline for a family unit of one:
\$14,580 x 1.015 = \$15,309*

Definition of Assets (Non-Inclusive)

Assets include, but are not limited to the cash value of savings accounts and shares, certificates of deposit, investments such as stocks, bonds, mutual funds, deferred compensation accounts, equity in real estate other than the homestead for which the exemption is claimed, motor vehicles other than one primary transportation vehicle, jewelry, coins and other collectibles, precious metals, and other similar possessions which are not essential to the subsistence or health and well-being of the claimant. Gifts, lump-sum inheritances, dividends, interest, rental proceeds, royalties, and other receipts received in the form of a gift, or as a result of asset divestment, shall be considered an asset if received on a one-time lump-sum basis and shall be included in the determination of asset eligibility.

Divestment of Assets

Divestment means a transfer of a resource. Transfer of a resource means giving up all or partial ownership in (or rights to) a resource. Examples include, but are not limited to, selling an asset, giving an asset away, refusing an inheritance, giving up the right to receive income, and other similar divestment actions.

If an application for property tax exemption has divested any assets during the period of 36 months preceding the date of the application, then such divestment shall be considered in the determination of eligibility.

ADDITIONAL STANDARDS

Michigan Homestead Property Tax Credit

The Michigan homestead property tax credit cannot be considered as income for purposes of the poverty exemption.

Partial Poverty Exemption

PA 253 of 2020 made changes related to granting full or partial poverty exemptions. MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption, in whole or in part, as follows: A full exemption equal to 100%, partial exemption equal to 75%, partial exemption equal to 50%, or partial exemption equal to 25%.

Appeal

An appeal of a decision of the March Board of Review is made by completing and submitting a petition to the Michigan Tax Tribunal no later than July 31 of the same year. A decision of the July or December Board of Review may be appealed by completing and submitting a petition to the Michigan Tax Tribunal within 35 days of the July or December Board of Review's decision.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT the Ida Township Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption. This resolution shall take immediate effect.

The forgoing resolution offered by Tera Shaffer and supported by Kelly Elmer.

Upon roll call vote, the following voted:

Yes: 5 No: 0

I, Tera Shaffer, the duly elected and acting Clerk of Ida Township, hereby certify that the foregoing resolution was adopted by the Ida Township Board at the regular meeting held on the 2 day of January, 2024 at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said Resolution was ordered to take immediate effect.

Tera Shaffer
Tera Shaffer, Clerk