

POLICY AND GUIDELINES FOR PRINCIPAL RESIDENCE POVERTY EXEMPTION FROM TAXES

[MCL 211.7u]

(REVISED November, 2023)

The City of Monroe Board of Review shall comply with this policy and these guidelines as adopted by the Mayor and City Council in granting or denying a Principal Residence poverty exemption from taxes. A claimant shall submit a completed APPLICATION FOR PRINCIPAL RESIDENCE POVERTY EXEMPTION FROM TAXES, including all necessary tax returns, to the Board of Review. In no event shall application of this policy and these guidelines result in a poverty assessment which is greater than taxable value.

The purpose of this policy and these guidelines is to provide a uniform basis upon which to reduce the annual property tax liability of qualifying poverty exemption applicants.

**FEDERAL POVERTY INCOME STANDARDS**

The following are the federal poverty income standards as of December 31, 2023 for use in setting poverty exemption guidelines at 50% for 2024 assessments. These federal poverty income standards are updated annually in the Federal Register by the United States Department of Health and Human Services and promulgated by the Michigan State Tax Commission bulletin in the latter part of the immediately preceding year. The City of Monroe shall follow federal guidelines each year.

<b><u>Federal Poverty Income Guidelines</u></b>	
<b>Number of Persons Residing in the Principal Residence</b>	<b>Maximum Total Income</b>
<b>1</b>	<b>\$14,580</b>
<b>2</b>	<b>\$19,720</b>
<b>3</b>	<b>\$24,860</b>
<b>4</b>	<b>\$30,000</b>
<b>5</b>	<b>\$35,140</b>
<b>6</b>	<b>\$40,280</b>
<b>7</b>	<b>\$45,420</b>
<b>8</b>	<b>\$50,560</b>
<b>Each Additional Person \$5,140</b>	

## Poverty Exemption Application Instructions

**THIS APPLICATION SHOULD BE RETURNED TO:**

**Mailing Address & Building Location:**

City of Monroe Assessing Department 120 E. First Street, Monroe, MI 48161

### **CITY OF MONROE**

[www.monroemi.gov](http://www.monroemi.gov)

To be considered for a hardship exemption, the following steps must be followed:

1. The Petitioners must complete this application **IN FULL** including signatures on the last page. Return the application and attachments to the Assessing Department
2. Signed copies of the following information must be attached for **all persons living in the household**:

**FEDERAL INCOME TAX RETURN (1040) with W 2's & 1099's.**

**MICHIGAN INCOME TAX RETURN (MI-1040)**

**SOCIAL SECURITY BENEFIT STATEMENT (SSA-1099)**

**YEAR END STATEMENTS FOR ASSET INFORMATION**

**IF YOU ARE NOT REQUIRED, BY LAW, TO FILE FEDERAL OR STATE INCOME TAX FORMS, YOU MUST COMPLETE THE ATTACHED POVERTY EXEMPTION AFFIDAVIT.**

Hardship Exemption as defined by the Michigan Compiled Laws is as follows:

**Section 211.7u: The homestead of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward the public charges are eligible in whole or in part from taxation under this act.**

Please be aware that as an applicant for Hardship Exemption, you must also comply with the Following sections of the Michigan Compiled Laws:

**Section 211.116 Perjury: Any person who, under any of the proceedings required or permitted by this act, shall willfully swear falsely, will be guilty of perjury and subject to its penalties.**

If received timely, your application will be presented at the next scheduled Board of Review.

# Application 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 the property is located in each year on or after January 1.

**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.

<b>PART 1: PERSONAL INFORMATION</b> — 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
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit		
<b>PART 2: REAL ESTATE INFORMATION</b>				
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 Code Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
<b>PART 3: ADDITIONAL PROPERTY INFORMATION</b>				
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	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

**PART 4: EMPLOYMENT INFORMATION** — List your current employment information.

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

**PART 5: 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 6: 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 7: 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 8: 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

<b>PART 9: HOUSEHOLD OCCUPANTS</b> — List all persons living in the household.				
First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

<b>PART 10: PERSONAL DEBT</b> — List all personal debt for all household members.					
Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

<b>PART 11: MONTHLY EXPENSE INFORMATION</b>			
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 11: 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 12: 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 35 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  
 E-mail: [taxtrib@michigan.gov](mailto:taxtrib@michigan.gov)

**City of Monroe Asset Test**

An asset test is used as a tool to spotlight areas of difficulty, elevated expenses, debt, liabilities, income and assets. Assets that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed. It incorporates all current assets and liabilities amounts. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Note: Assets themselves aren't counted as income, however, any income that an asset produces is normally counted when determining the income eligibility of a household. Asset "items of value that may be turned into cash."

The Board of Review time frame for Debt, Liabilities, Income and Asset looks back 1 year.

For the March Board of Review Exemption Request: January to January

For July Board of Review Exemption Request: May to May

For December Board of Review Exemption Request: October to October

Assets include the following:

	<u>Current Amount or Value</u>
Cash on hand : Yes or No	\$ _____
Second Home: Yes or No    If yes is this a rental home: Yes or No	\$ _____
Additional Land: Yes or No	\$ _____
More than one Vehicle: Yes or No	\$ _____
Recreational vehicles camper, motor-home, boat and ATV: Yes or No	\$ _____
Bank/Credit Union Account(s): Yes or No	\$ _____
Checking Account(s): Yes or No	\$ _____
Stocks Or Bonds: Yes or No	\$ _____
Lump-Sum inheritances or One time Insurance Payments: Yes or No	\$ _____
Cash Gifts or Loans: Yes or No	\$ _____
Medicare: Yes or No	\$ _____
Medicaid: Yes or No	\$ _____
Food Stamps: Yes or No	\$ _____
School Lunches: Yes or No	\$ _____
Other/Miscellaneous	\$ _____
Total Assets \$ _____	

A poverty exemption may not be granted if any of the following conditions are applicable at the Principal Residence:

1. There is greater than one automobile per Principal Residence resident 16 years of age or older.
2. The claimant or any other resident of the Principal Residence has assets in savings/checking accounts, stocks, bonds, undeposited cash, etc. which exceed 60% of the federal poverty guideline for one person in "INCOME A." above. In 2024 this equates to \$8,748. This amount will change annually when the Department of Health and Human Services updates poverty income levels.

**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) must be attached as proof of income unless you are not required to by law. Documentation for all income sources including, but not limited to, credits, claims, Social Security income, child support, alimony income, unemployment income and all other income sources must be provided at time of application.

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

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This application shall be filed after January 1, but before the Friday prior to the last day of March, July or December Board of Review to the address below.

City of Monroe Assessing Department  
120 E. First Street  
Monroe, MI 48161  
734-384-9174

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**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: 517-335-9760  
E-mail: [taxtrib@michigan.gov](mailto:taxtrib@michigan.gov)



# Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

<b>PART 1: OWNER INFORMATION</b> — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
<b>PART 2: LEGAL DESIGNEE INFORMATION</b> (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
<b>PART 3: HOMESTEAD PROPERTY INFORMATION</b> — Enter information for property in which the exemption is being claimed.			
City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		County	
Name of Local School District			
Parcel Identification Number		Year(s) Exemption Previously Granted by Board of Review	
Homestead Property Address	City	State	ZIP Code
<b>PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS</b> (Check all boxes that apply.)			
<input type="checkbox"/> I own the property in which the exemption is being claimed.  <input type="checkbox"/> 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.  <input type="checkbox"/> After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.			
<b>PART 5: CERTIFICATION</b>			
I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.			
Owner or Legal Designee Name (print)		Signature of Owner or Legal Designee	Date
<b>Designee must attach a letter of authority.</b>			
<b>LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)</b>			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)		Tax Year(s) exemption will be posted to tax roll	
<b>CERTIFICATION</b> — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.			
Assessor Signature		Date Certified by Assessor	

## 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