

**CITY OF TRAVERSE CITY GRAND TRAVERSE/LEELANAU COUNTY, MICHIGAN
GUIDELINES FOR APPLICANTS REQUESTING
CONSIDERATION FOR POVERTY EXEMPTIONS**

**WITH THIS PETITION YOU WILL NEED TO SUBMIT LAST YEAR'S
COPIES OF THE FOLLOWING DOCUMENTS FOR YOURSELF, THE CO-
OWNER, AND EVERY MEMBER OF THE HOUSEHOLD:**

1. FEDERAL INCOME TAX RETURN- 1040 OR 1040A AND ANY SCHEDULES (**SIGNED**)
Attached: Yes No
2. ALL W-2 AND 1099 FORMS
Attached: Yes No
3. HOMESTEAD PROPERTY TAX CREDIT CLAIM MI-1040CR
Attached: Yes No
4. SOCIAL SECURITY BENEFIT STATEMENT FORM SSA-1099
Attached: Yes No
5. ADC STATEMENT
Attached: Yes No
6. STATEMENT FROM FRIEND OF THE COURT
Attached: Yes No
7. OTHER SUPPORTING DOCUMENTS
Attached: Yes No

BY LAW, ALL BOARD OF REVIEW MEETINGS AND INFORMATION DISCUSSED ARE OPEN TO THE PUBLIC. EVIDENCE GIVEN TO THE BOARD OF REVIEW OR THE ASSESSOR IS SUBJECT TO THE FREEDOM OF INFORMATION ACT. REQUESTS FOR INFORMATION MAY BE RELEASED TO THE PUBLIC.

1. All applicants must obtain and fill out the attached application. It must be given to the local Assessor no later than:
 - The last day scheduled for appeals by the public for action by the March Board of Review *or*
 - Five days prior to the July Board of Review *or*
 - Five days prior to the December Board of Review.
2. Applicants must own and occupy the homestead property for which the exemption is requested. The homestead percentage, as determined by General Property Tax Law 211.7dd, will determine the percentage of property that can be considered for exemption.

"Homestead " means that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and is owned and occupied as a principal residence by an owner of the dwelling unit. Homestead also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied as a principal residence by the owner. Contiguity is not broken by a road or a right-of-way. Homestead also includes any portion of a principal residence of an owner that is rented or leased to another person as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in that principal residence. Homestead also includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

"Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 2 of the Farmland and Open Space Preservation Act, Act No. 116 of the Public Acts of 1974, being section 554.702 of the Michigan Compiled Laws. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a homestead exemption on other property. Property used for commercial storage, commercial processing, operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

3. Applicant's homestead must have a true cash value less than or equal to the average true cash value of all taxable residential property in the City of Traverse City. This value is calculated each year by the Assessor based on the average true cash value shown on last year's assessment roll.
4. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2013.

PA 620 of 2002 has amended MCL 211.7u by changing the income standards used in the determination of poverty exemptions. This means that the federal poverty income standards found in STC Bulletin 15 of 2002 SHALL NOT be used in the determination of the 2013 poverty exemptions. INSTEAD, the following poverty guidelines SHALL BE USED in the determination of 2013 poverty exemptions:

Size of Family Unit	Poverty Guidelines
1	\$11,170
2	\$15,130
3	\$19,090
4	\$23,050
5	\$27,010
6	\$30,970
7	\$34,930
8	\$38,890

For each additional person add	\$3,960
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IMPORTANT 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.

5. Cash assets for the total household may not exceed an amount equal to one month's gross household income (see above table).
6. Non-cash assets for the total household may not exceed \$5,000. The following assets are excluded from this limit:
 - Applicant's homestead property
 - Applicant's household personal property
 - Applicant's interest in Indian trusts' lands
 - Assets not accessible by the applicant, co-owner or any member of the applicant's household.
7. All applicants, if approved by the Board of Review, will pay taxes equal to 3.5% of their total household gross income. Applicants over 65, paraplegic, quadriplegic, hemiplegic, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 419, will pay taxes equal to the following percentages:

Total household gross income less than \$3,000.....	0%
Total household gross income \$3,001 to \$4,000....	1.0%
Total household gross income \$4,001 to \$5,000.....	2.0%
Total household gross income \$5,001 to \$6,000.....	3.0%
Total household gross income greater than \$6,000...	3.5%
8. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner, and all members of the household. Any attempt to hide and/or shift income and /or assets to another person, business or corporation shall be grounds for immediate denial.
9. The Board of Review will consider the effect of all Michigan Income Tax Credits the applicant receives or can receive. Credits include Homestead Property Tax Credits, Senior Citizen Prescription Drug Credits and Home Healing Credits.
10. Applications must be filed every year. If granted, exemptions are in effect for one year only.
11. Poverty exemptions shall be granted no more than three (3) times during one ownership of the property. The Board of Review may grant exceptions for persons over 65, paraplegic, quadriplegic, hemiplegic, or totally and permanently disabled (as defined under Social Security Guidelines 42 USC 416).

12. Applicants must produce a driver's license or other acceptable identification if asked by the Board of Review. Applicants must also produce a deed, land contract or other proof of property ownership if asked by the Board of Review.
13. Applications will be reviewed by the Board of Review. The Board may ask applicants or their authorized agents to be physically present to answer questions.
14. Applicants or their authorized agents may have to answer questions regarding such subjects as financial affairs, health and/or the status of people living in their home at a meeting that is open to the public.
15. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any other source.
16. The Board of Review shall follow the policy and guidelines established by the Commission of the City of Traverse City in granting or denying an exemption.
17. The Board of Review may deviate from the guidelines if it determines there are substantial and compelling reasons. Compelling reasons include, but are not limited to, excessive medical expenses or excessive expenses necessary for the care of elderly or handicapped persons. Reasons will be communicated, in writing to the applicant.
18. Applicants may be subject to investigation of their entire financial and property records by the City of Traverse City. This would be done to verify information given or statements made to the Board of Review or Assessor in regard to their poverty tax claim.
19. Household income limits are updated each year, using the poverty thresholds established by the Bureau of the Census.
20. Applicants will be sent a written notice of the Board's final decision. An applicant may appeal the Board's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board's decision. Appeals must be filed with the Tribunal by the following dates:
 - June 30th for decision made by March Board of Review
 - Within thirty (30) days of the date of denial for decision made by July Board of Review
 - Within thirty (30) days of the date of denial for decision made by December Board of Review

BOARD OF REVIEW

DECLARATION OF POVERTY & REQUEST FOR TAX RELIEF PETITION

Property ID Number: _____ Current SEV: _____

Current Taxable Value: _____

APPLICANT INFORMATION

IMPORTANT: It is necessary that you fill out this petition as carefully as you can. All questions must be answered. Please have supporting information such as contracts, mortgage receipts, tax receipts, bank books, etc. available. An investigator may call at your home to examine your records. NOTE: Any person making a false petition for the purpose of exemption from taxation shall be guilty of the crime of perjury, and shall be punished accordingly.

I (We) hereby appeal to the Board of Review for a reduction of Taxable valuation because of inability to contribute fully toward the public chargers by reason of POVERTY.

Name of Owner & Co-Owners: _____

Street Address: _____

City, State and Zip Code: _____

Did you or a co-owner apply for a Michigan Homestead Property Tax Credit? ___ Yes ___ No

If YES, did you receive a refund or tax credit? ___ Refund ___ Credit How much \$ _____

OWNERS:

Social Security Number _____

Age as of December 31st _____

	Yes	No
Are you blind?		
Are you paraplegic, hemiplegic or quadriplegic?		
Are you totally and permanently disabled as defined under Social Security Guidelines 42 USC 416?		
Are you a Veteran with service connected disability? If YES, what % of disability? _____%		
Are you a surviving spouse of a Veteran with a service connected disability? If YES, what % of disability? _____%		
Are you a surviving spouse of a veteran deceased in service?		
Are you a veteran of wars before WWI, pensioned veteran, their surviving spouses, or active military?		

CO-OWNERS:

Social Security Number _____
 Age as of December 31st _____

	Yes	No
Are you blind?		
Are you paraplegic, hemiplegic or quadriplegic?		
Are you totally and permanently disabled as defined under Social Security Guidelines 42 USC 416?		
Are you a Veteran with service connected disability? If YES, what % of disability? _____%		
Are you a surviving spouse of a Veteran with a service connected disability? If YES, what % of disability? _____%		
Are you a surviving spouse of a veteran deceased in service?		
Are you a veteran of wars before WWI, pensioned veteran, their surviving spouses, or active military?		
Are you a surviving spouse of a non-disabled or non-pensioned veteran of the Korean War, WW2 or WWI?		

Has a “Principal Residence Exemption (PRE) Affidavit” been filed with the local Assessor for this property? _____ Yes _____ No

GENERAL INFORMATION:

Check one: ___ Married ___ Single ___ Divorced ___ Widow ___ Widower ___ Separated

How long have you been a resident of the City of Traverse City? _____

What year did you purchased this property? _____

Purchase Price \$ _____ Down Payment \$ _____ Interest Rate _____%

Total unpaid balance of mortgage as of Dec 31st \$ _____

Mortgage or Contract Holder: _____

Taxes: Delinquent Years _____ Delinquent Amount \$ _____

List all personas living in the household (including yourself):

Last Name	First Name	Age	Relationship	Employment

INCOME & ASSETS

SECTION A: Schedule of Family Income

DO NOT INCLUDE THE FOLLOWING:

1. Money received from the sale of property such as stocks, bonds, a house, or a car unless a person is in the business of selling such property.
2. Withdrawals of bank deposits and borrowed money.
3. Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments.
4. Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
5. Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, and school lunches.

INCLUDE INCOME OF OWNER/CO-OWNER AND ALL PERSONS RESIDING THE HOME:

1. Salaries, wages, tips & other employee compensation (include strike, sick & sub pay)	\$
2. All dividends & interest (including US, state & municipal bond interest)	
3. Net rent, royalty, business, gambling or lottery income	
4. Annuity & pension benefits. Name of Payer:	
5. Net farm income	
6. All Capital gains less capital losses	
7. Alimony & other taxable income. Describe:	
8. Other adjusted income	
9. Social Security, supplemental income (SSI) or railroad retirement benefits	
10. Unemployment compensation & trader readjustment allowance (TRA) benefits	
11. Child Support, Military Family Allotments	
12. College or university scholarships, grants, fellowships and assistant fellowships	
13. Other non-taxable income: Describe	
14. Worker's compensation, veteran's disability compensation & pension benefits	
15. ADC, GA or Emergency Assistance benefits	
16. All other public assistance payments (food stamps, fuel assistance, etc). Describe:	
17. SUBTOTAL (add lines 1 throu16)	\$
18. Insurance premiums you paid for medical care for yourself and family	
19. TOTAL HOUSEHOLD INCOME (subtract line 18 from line 17)	\$

EXPENSES

SECTION A: Debts

In the spaces below, list all outstanding debts that you, the co-owner, or any member of the household may have. Include mortgages, home improvement loans, chattel mortgages, finance company loans, personal loans, credit cards, automobile loans, etc. Do not include the mortgage payments for the property being applied for.

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

SECTION B: Subsistence Costs

In the spaces below, list the actual monthly household costs where available and estimate the others as closely as possible. You may be asked to verify your estimates with copies of bills and receipts.

1. Land Contract or Mortgage payment for homestead only. Does this include an escrow amount for tax purposes? ___ Yes ___ No		\$
2. Gas or Fuel. Did you receive a State of Michigan Home Heating Credit ___ Yes ___ No If YES, please enter that amount.	\$	
3. Electricity		\$
4. Water, Sewer, Garbage		\$
5. Food (exclude liquor, cigarettes, pet food, pop, etc.)		\$
6. Doctors & Medicine a. Do you have medical insurance ___ Yes ___ No b. If YES, who is the carrier _____ c. Please be ready to provide a copy of your policy if so requested.		\$
7. Did you receive a State of Michigan Senior Citizen Prescription Drug Claim Credit ___ Yes ___ No. If YES, how much \$ _____	\$	
8. Homeowner's Insurance	\$	
9. TOTAL SUBSISTENCE HOUSEHOLD EXPENSES		\$
10. TOTAL HOUSEHOLD CREDITS	\$	
11. NET TOTAL SUBSISTENCE HOUSEHOLD EXPENSES (Line 9 minus 10)		\$

SECTION C: Investments

In spaces below, list all stocks, bonds, mortgages, land contracts, annuities, US. Savings Bonds or any other investments you, the co-owner or any member of your household has.

Description of Investment	Present Value	Income Earned Last Year
	\$	\$
	\$	\$

SECTION D: Real Estate

In the spaces below, list all property owned in full or in part by you, the co-owner or any member of your household (houses, land, cottages, garages, stores, etc.) Do not list the property this application is being applied for.

Address of Property	Own	Market Value	Taxes	Income
		\$	\$	\$
		\$	\$	\$

SECTION E: Life Insurance Policies

In the spaces below, list all the insurance policies held by you the co-owner, or any member of the household.

Insured	Amount of Policy	Monthly Payment	Cash Value of Policy	Beneficiary	Relationship to Insured Insured
	\$	\$	\$		
	\$	\$	\$		

SECTION F: Motor Vehicles

In the spaces below, list all automobiles, motorcycles, trucks, off-the-road vehicles, etc. owned by you, the co-owner or any member of your household:

Make and Model	Year	License Plate Number	Monthly Payment	Balanced Owed
				\$
				\$
				\$

SECTION G: All Other Assets

In the spaces below, list all other assets and their values that are owned or controlled by you, the co-owner or any member of the household. (For example, boats, coin collections, antiques, jewelry, silver, etc.)

Type of Asset	Value	Owner

ADDITIONAL INFORMATION

With this petition you will need to submit last year's copies of the following documents for yourself, the co-owner, and every member of the household:

1. Federal Income Tax Return- 1040 or 1040A and any schedules
2. All W-2 and 1099 forms
3. Homestead Property Tax Credit Claim MI-1 040CR
4. Social Security Benefit Statement Form SSA-1099
5. ADC Statement
6. Statement from Friend of the Court

NOTE: DO NOT SIGN THIS PETITION UNTIL WITNESSED BY THE ASSESSOR, BOARD OF REVIEW MEMBER, OR NOTARY.

I (We), _____being duly sworn, depose and state under the penalties for perjury, that the information contained in this petition and my (our) financial condition as above stated is true and correct and to the best of my (our) knowledge and belief.

I, the Co-Owner, or any member of the household has no money, income or assets other than herein mentioned.

I (We) hereby grant permission and authorize the Board of Review of the City of Traverse City to obtain and utilize whatever documentation and/or information necessary including but not limited to the review of income tax files, to process this petition.

Signature of Applicant

Signature of Co-Owner

Subscribed and sworn this _____ day of _____, 20_____.

Assessor, Board of Review Member, or Notary

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