

**PITTSFIELD CHARTER TOWNSHIP
2019 HARDSHIP/POVERTY EXEMPTION
POLICY AND GUIDELINES**

POVERTY EXEMPTION, as defined by the Michigan Compiled Laws, is as follows:

Section 211.7u: (1) The homestead of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charge is eligible for exemption in whole or in part from taxation under this act. This section does not apply to the property of a corporation.

Please be aware that as an applicant for Poverty Exemption you must also comply with the following section of the Michigan Compiled Laws:

Section 211.118: Perjury: Any person, who, under any of the proceedings required or permitted by this act shall willfully swear falsely, will be found guilty of perjury and subject to its penalties.

Section 211.119: Willful Neglect: Penalty-...a person who willfully neglects or refuses to perform a duty imposed upon that person by this act, when no other provision is made in this act, is guilty of a misdemeanor, punishable by imprisonment for not more than 6 months, or a fine of not more than \$300 dollars, and is liable to a person injured to the full extent of the injury sustained.

The members of the Board of Review analyze all properly submitted applications for Hardship/Poverty Exemptions, according to amended P.A. 390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL). Each taxpayer will be treated the same, and the items to be considered and the manner in which they will be analyzed are listed under the following guidelines.

STATE LAW GUIDELINES:

- 1.) The application for the exemption, in whole or in part, must be completed in its entirety on an annual basis.
- 2.) The property must be owned and occupied by the applicant. A principal residence exemption must be on file confirming the property is their principal residence.
- 3.) Per MCL 211.7u(2b) provide current Income Tax Returns, both Federal and State, including Homestead Property Tax Credit claims (MI-1040CR 1, 2, 3, or 4) for **ALL PERSONS** residing in the homestead. Documentation for all income sources including but not limited to credits, claims, Social Security income, child support, alimony income, bridge cards, and all other income sources must be provided at time of application. If applicant(s) is not required to file a Federal or State Income Tax return, they must complete and file an Income Tax Exemption Affidavit (PA 135 of 2012).
- 4.) Applicant must provide a copy of their driver's license or state I.D. A copy of the deed or other document proving property ownership must also be provided.
- 5.) The applicant must meet federal poverty standards or the alternative guidelines as established by Pittsfield Charter Township Board of Review.
- 6.) Meet the asset level test as set by Pittsfield Township Board of Review Asset Guidelines.
- 7.) The Board of Review shall follow the guidelines unless the Board determines there are substantial and compelling reasons why there should be a deviation from the guidelines. If the Board of Review deviates from this policy and guidelines for any reason, they are required by statute to communicate the substantial and compelling reasons for the deviation from the guidelines in writing to the claimant.

value, and any food or housing received in lieu of wages. Total household non-liquid assets other than the principal residence cannot exceed a cash value of \$25,000.

3.) All applications need to be received at the Assessing Department five full business days prior to the Board of Review. All applications will be processed by the Assessing staff to determine the percentage of household income consumed by property taxes. You may be contacted by a staff member to verify information or to do an interior and exterior field inspection of your property.

4.) It is the applicant's responsibility to complete all items on the application and give thorough explanations of information that are not self explanatory. If the applicant's circumstances do not meet the guidelines, an explanation of the substantial and compelling reasons must be submitted in writing or the application will be denied. Any additional information to be presented to the Board must be in writing and attached to the application. The Board of Review has the discretion to deviate from the policy and guidelines as set forth upon a showing of substantial and compelling reasons.

5.) If your expenses (not including property taxes) exceed your income, a written explanation will be required.

6.) A written affidavit is required for all household members over the age of 18 who are not cited as contributing to the household income. Attendance in college or any other schooling above high school is not considered a compelling reason for not contributing to necessary household expenses.

7.) Primary applicant may not own any other real estate. The Board can deny an application if they determine that monies spent in the past two years for unnecessary purchases and/or unnecessary property upgrades could have been used for property taxes.

8.) **Copies of the last three (3) months bank statements** for all persons residing in household must be included with application. Poverty exemptions are limited by \$1,000 in savings and other liquid assets and real estate holdings of the homestead (Principle Residence) only.

9.) If you have a **mortgage and/or home equity loan** on your property you must **provide a copy of your most recent statement(s)**. If you are more than ninety (90) days in arrears on your payments you may not qualify for a poverty exemption. You will be contacted just prior to the Board of Review for a more recent copy of your statement(s).

10.) If the principal residence has been purchased within three (3) years of application, attach documents used to qualify for the mortgage, or if no mortgage, explain why funds were not set aside for taxes.

11.) As approved by the Township BOT, Resolution #19-01, to be eligible for the exemption, persons must meet the above asset guidelines, whereas total household non-liquid assets other than the principal residence cannot exceed a cash value of \$25,000, savings and other liquid assets not listed above are limited to \$1,000.

**PITTSFIELD CHARTER TOWNSHIP
APPLICATION AND INSTRUCTIONS FOR 2019
HARDSHIP/POVERTY REDUCTION**

The 2019 Application for One Year Poverty Reduction has been modified to be consistent with the requirements of the State of Michigan regarding poverty exemptions. To be considered for a poverty reduction, the following information **MUST** be provided:

1. **COMPLETE ALL SECTIONS OF THIS APPLICATION IN FULL; DO NOT LEAVE ANY BLANK LINES/AREAS. WRITE IN N/A IF THE AREA DOES NOT APPLY TO YOU.** Applications may be considered ineligible if they are not completed in full.

2. Submit **completed and signed COPIES** of the following:

2018 Michigan Homestead Property Tax Credit Claim (MI 1040 CR)

2018 Federal Income Tax Return (1040), if you are required to file federal income tax. If you were not required to file federal or state income tax in the current or previous year, please include a completed Department of Treasury Form 4988 – Poverty Exemption Affidavit. (PA 135 of 2012)

2018 Federal Income Tax Return (1040) for ALL members residing within the household.

ALL INCOME TAX RETURNS MUST BE SIGNED. Applications will be returned if signatures are missing.

3. If someone is residing in your home and is not employed but has income from another source, you **MUST** include their total income in “2019 Estimated Household Income” section and included in Total Projected Household Income for 2019 listed on page 4 of your application. Additional household members’ income detail must also be provided on page 6, attach additional pages if needed.

4. If you completed the section on page one of the application indicating you have major or unusual out-of-pocket expenses, you must provide copies of documents verifying these expenses. **This does not include everyday living expenses.**

5. The application must be legible. If you need or want to provide additional information, please attach separate sheet(s), do not write in the margins of the application.

6. Do not submit originals of supporting documentation. We are required to keep all documentation for our records in the event of audit by the Michigan Department of Treasury.

7. If the application is (1) incomplete, (2) you do not include copies of the required financial documents, or (3) income tax returns are not signed the application may be considered ineligible for a hardship/poverty reduction.

PROPERTY INFORMATION

Purchase Date: _____ Purchase Price: _____ (If home was purchased within the last 3 years, attach documents used to qualify for the mortgage and explain why funds were not set aside for taxes.)

Do you own this property free and clear? () Yes () No

If not, amount of monthly payment: _____ Have any improvements, changes, or additions been made to the property in the last two (2) years? () Yes () No

Are the taxes included in payment? () Yes () No Describe Improvements: _____

Are property taxes current? () Yes () No
If not, amount past due _____

Have you taken a Reverse Mortgage on this property () Yes () No
If yes, please detail _____

GENERAL INFORMATION

Have you requested (or are currently receiving) other government assistance? () Yes () No
If yes, please detail the monetary assistance received: _____

If you have college aged children, are you contributing to their college costs? () Yes () No
If yes, please detail the monetary assistance and provide verification: _____

Are you or members of your household recently unemployed? () Yes () No
If yes, please indicate when first placed on unemployment:
How long is the unemployment assistance expected to remain?

ASSET INFORMATION

Do you have an ownership interest in any other real estate (including ownership via partnerships, corporation, etc.) in Michigan or anywhere else? () Yes () No If yes, please list (attach additional sheet, if needed).

<u>Location</u>	<u>Value</u>	<u>Type of Use</u>	<u>Purchase Date</u>	<u>Purchase Price</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

What are your assets in addition to real estate?

- Cash \$ _____
- Savings Accounts/Certificates & Money Markets \$ _____
- Checking Accounts (Include Statements) \$ _____
- Stocks/Bonds/Treasury Bills \$ _____
- Insurance – Cash Value \$ _____
- Investments \$ _____
- IRA, Keogh Annuities, Deferred Compensation \$ _____
- Personal Property held as an investment (i.e., gems, jewelry, coin collections, antique cars, etc.) \$ _____

HOUSEHOLD EXPENSES

NOTE: VERIFICATION OF EXPENSES MAY BE REQUIRED.

	MONTHLY	YEARLY
House Payment (principle and interest):		
Life Insurance:		
Health Insurance:		
Home Insurance:		
Auto Insurance:		
Car Payment(s) as listed on page 4:		
Gasoline:		
Home Heating/Cooling/Electricity:		
Telephone/land line/cellular:		
Water/sewer:		
Cable/Internet:		
Child Care:		
Food (not covered by food stamps/bridge card):		
All Other Expenses not listed above:		

LOANS, CREDIT CARDS, AND OTHER OUTSTANDING DEBTS:
(other than real estate and vehicles)

Credit Card Company Name Financial Institution		Credit Card Company Name Financial Institution	
Current balance		Current balance	
Monthly Payment		Monthly Payment	

(If more space is needed attach additional page - verification of outstanding debts may be required.)

MEDICAL/DENTAL AND/OR OTHER UNUSUAL EXPENSES (included expenses for all household members):

NOTE: IF EXPENSES (WITHOUT PROPERTY TAXES) EXCEED INCOME, A PROPERTY TAX REDUCTION WILL NOT SOLVE YOUR FINANCIAL PROBLEM. PLEASE EXPLAIN OTHER ACTIONS YOU WILL BE TAKING:

**PITTSFIELD CHARTER TOWNSHIP
WAIVER OF CONFIDENTIALITY
(2019 application)**

Parcel Number: _____

Property Address: _____

I/we, _____, hereby consent to the examination of copies of my tax returns and related financial documents, including but not limited to those listed below, by the Pittsfield Charter Township Assessor and/or her designated agent and by the members of the Pittsfield Charter Township:

- Federal Income Tax Returns
- Michigan Income Tax Returns
- Senior Citizens Homestead Property Tax Form
- General Homestead Property Tax Claim Form
- Statements from Social Security Administration

Furthermore, I consent to the discussion of the information contained in my tax returns and related financial documents at a duly convened public meeting of the Pittsfield Charter Township Board of Review. By signing this Waiver of Confidentiality, I understand and acknowledge that I am forever giving up any and all possible claims I may have relative to the disclosure of information contained in said tax returns and related financial documents, which claims may arise pursuant to Internal Revenue Code Section 6103, and/or any other Federal, State or local statute or regulation.

I have read this document in its entirety and sign this document of my own free will.

APPLICANT SIGNATURE: _____ DATE: _____