

**PITTSFIELD CHARTER TOWNSHIP  
2021 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 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.

## **PITTSFIELD CHARTER TOWNSHIP 2021 GUIDELINES:**

**A copy of the Registered Deed for primary residence identifying all owners of the subject property must be submitted with the application if requested.**

**Picture ID (Drivers License; State ID) for primary applicant must be submitted.**

1.) Under no circumstances will any poverty exemption be continued to the following year without a complete application submitted for that year.

2.) All owners and occupants, 18yrs of age and older, of the subject property shall complete, and supply to the Assessing Department, the poverty application form accompanied by the required **copies of current Income Tax Returns both Federal and State including attachments and the MI 1040 CR showing the Homestead Property Tax Credit.** Tax Returns must be signed and dated to be eligible (for calendar year 2021-submit 2020 tax returns). Proof of gross annual income from all sources must be provided. Provide a copy of current pay stubs for all persons residing in the home.

According to the U.S. Census Bureau, “**income**” includes:

- Money, wages, and salaries before any deductions.
- Net receipts from non-farm self-employment. (These are receipts from a person’s own business, professional enterprise, or partnership, after deductions for business expenses.)
- Regular payments from social security, railroad retirement, unemployment, and worker’s compensation, veteran’s payments and public assistance.
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, and regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, and assistantships.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Additional income sources:

- Gifts, loans, lump-sum inheritances, one-time insurance payments, and State and/or Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches, and/or bridge card.

### **Asset Guidelines**

#### **Used in the Determination of Hardship/Poverty Exemptions for 2021**

Applicants must, in accordance with PA 390 of 1994, meet the “Asset Guidelines” as adopted by the Pittsfield Charter Township Board. 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.

All asset information, as requested in the Application for the Hardship/Poverty Exemption, must be provided in its entirety. 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 the assets are not completely or properly identified.

Liquid assets may include, but are not limited to:

Bank accounts, stocks and bonds, IRA’s, Roth’s, other investment accounts, pensions, money received from the sale of property such as stocks, bonds, a house or car, or gifts and borrowed money, inheritance, etc. Savings and other liquid assets not listed above are limited to \$1,000.

Additional total assets may include but are not limited to any of these either owned or leased:

A second home, vacant or excess land, rental property, extraordinary automobiles, recreational vehicles,

including snowmobiles, boats, campers, travel trailers, motor homes, jet ski, motorcycles, off road vehicles, additional buildings other than residence, equipment, jewelry, antiques, artwork, other personal property of 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 (5) 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 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.

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 #21-04, 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.

## **INCOME GUIDELINES**

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels shall not be set lower than the annual federal poverty guidelines. The Pittsfield Charter Township Board established the following income guidelines in accordance with MCL 211.7u and shall be adhered to unless accompanied by special circumstances. The Board of Review may, upon their discretion, provide temporary relief or grant an annual reduction of the tax liability for a household that exceeds the federal guidelines. In general, these guidelines shall assist the Board of Review in their decision making.

### **FEDERAL POVERTY STANDARDS**

(2020 levels to be used for 2021)

| Size of family/<br>household residents | 2021 Maximum<br>Household Income |
|--|----------------------------------|
|--|----------------------------------|

|   |          |
|---|----------|
| 1 | \$12,760 |
| 2 | \$17,240 |
| 3 | \$21,720 |
| 4 | \$26,200 |
| 5 | \$30,680 |
| 6 | \$35,160 |
| 7 | \$39,640 |
| 8 | \$44,120 |

|                    |               |
|--------------------|---------------|
| additional persons | \$ 4,480 each |
|--------------------|---------------|

### **PITTSFIELD TOWNSHIP GUIDELINES**

| Size of family/<br>household residents | 2021 Maximum<br>Household Income |
|--|----------------------------------|
|--|----------------------------------|

|   |          |
|---|----------|
| 1 | \$23,606 |
| 2 | \$31,894 |
| 3 | \$40,182 |
| 4 | \$48,470 |
| 5 | \$56,758 |
| 6 | \$65,046 |
| 7 | \$73,334 |
| 8 | \$81,622 |

|                    |          |
|--------------------|----------|
| additional persons | \$ 8,288 |
|--------------------|----------|

## **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 Pittsfield Charter Township takes this task seriously and attempts to provide relief to all deserving residents within the township. 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.

Annual applications and guidelines are available after the first meeting of the Township Board each year and shall be filed with the Pittsfield Charter Township Board of Review one day prior to the last day of the March, July or December Board of Review to the address listed below. It is recommended to file applications sooner if possible to avoid incomplete applications being submitted to the Board.

Board of Review  
c/o Pittsfield Charter Township Assessing Office  
6201 W. Michigan Avenue  
Ann Arbor, MI 48108  
Phone: 734 822-3115  
Fax: 734 944-4661  
E-mail: [assessing@pittsfield-mi.gov](mailto:assessing@pittsfield-mi.gov)

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: 517 373-4400  
Fax: 517 373-4493  
E-mail: [taxtrib@michigan.gov](mailto:taxtrib@michigan.gov)