



March 20, 2025

Reference: Poverty Exemption Policy, Income & Asset Test Worksheet, State Law, Application Form and Documentation Checklist

Dear Property Owner(s)/Claimant(s),

In order to be in compliance with the requirements of MCL 211.7u of the General Property Tax Act, as amended, Laketon Township has reviewed and updated the Poverty Exemption Policy to be used by the Board of Review in the process of reviewing and making a decision on poverty exemption applications beginning with applications for the tax year 2024 and future years.

A copy of the Michigan Compiled Laws Section 211.7u of the General Property Tax Act, is available upon request.

Please review the attached policy, including the household income and asset tests, documentation checklist and application forms very carefully. If you have questions, please contact Laketon Township. The income and asset test worksheet will be completed by the Board of Review, but is included here for your information only. The application forms required are attached and include application filing dates/deadlines.

The Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty (state form 5739) and The Application for MCL 211.7u Poverty Exemption (state form 5737) MUST be completely filled out and returned in person along with all required documentation. Failure to comply with all requirements will result in the Board of Review being unable to act upon this application/claim.

Please be aware: 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. Information requested under this Act may be released to the public.

Sincerely,
Laketon Township Board of Trustees

Laketon Township
MCL 211.7u Property Tax Poverty Exemption Policy
Approved 08/21/2025 for Tax Year 2024 and future years

As per Section 211.7u of the Michigan General Property Tax Act, as amended, defines the poverty exemption as a method to provide relief for those who, "in the judgment of the supervisor, and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act."

- The law allows for the exemption of the current tax year by application to the March, July or December Board of Review.
- The law also allows for exemption of the immediately preceding tax year, if an exemption for that year was not on the assessment roll and was not previously denied. Applicants can apply for the preceding tax year at the July or December Board of Review.

To be eligible for exemption under this section, the applicant shall, on an annual basis, meet ALL of the following requirements and provide the following information as required by law:

1. Be the owner of and occupy as a principal residence the property for which the exemption is requested, and shall affirm this ownership & occupancy status in writing by filing a form prescribed by the state tax commission with the Laketon Township Assessor.
2. File a claim with the Laketon Township Board of Review on a form prescribed by the State Tax Commission, accompanied by Federal and State income tax returns for ALL persons residing in the home, including any property tax credit returns for the current year or immediately preceding year. If not required to file income tax, an affidavit in a form prescribed by the State Tax Commission may be accepted in place of the Federal and State income tax returns.
3. Produce a valid driver's license or other form of identification for all members of the household.
4. Produce a deed, land contract or other evidence of ownership of the property.
5. Meet Federal Poverty Guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services, which are adopted annually by the Laketon Township Board of Trustees, see copy attached. If the Total Annual Household Income exceeds the Federal Poverty Guidelines, please see the alternative household income allowances below.

Income Test: All occupants of the household shall report their income. According to the U. S. Census Bureau, household income includes: any money, wages, and salaries before deductions, regular payments from social security, railroad retirement, unemployment, workers' compensation, veteran's payments, public assistance payments, alimony, child support, military family allotments, private pensions, government pensions, regular insurance or annuity payments, college or university scholarships, grants, fellowships, assistantships, dividends, interest, net rental income, net royalties, net receipts from farm or non-farm self employment, periodic receipts from estates or trusts and net gambling or lottery winnings.

Total Annual Household Income:

- An amount not to exceed 100% of Federal Poverty Guidelines for household size shall qualify for a 100% reduction in taxable value of the Principal Residence.
- An amount not to exceed 110% of Federal Poverty Guidelines for household size shall qualify for a 75% reduction in taxable value of the Principal Residence.

- An amount not to exceed 115% of Federal Poverty Guidelines for household size shall qualify for a 50% reduction in taxable value of the Principal Residence.
- An amount not to exceed 120% of Federal Poverty Guidelines for household size shall qualify for a 25% reduction in taxable value of the Principal Residence.

6. Applicants must also meet an asset test as outlined below.

Asset Test: ALL cash AND non-cash assets of ALL persons living in the household shall be reported. This asset test shall be followed by the Board of Review.

Assets include, but are not limited to any of the following owned or being purchased by any member of the household: a second home, a rental home, a vacation home/property, any other land or real estate, vehicles, recreational vehicles (campers, travel trailers, motor homes, boats, atv's, snowmobiles etc), jewelry, antiques, artwork, equipment, bank accounts, stocks, money received from the sale of any property; including stocks, bonds, real estate, cars etc, borrowed money, tax refunds, cash gifts or loans, lump-sum inheritances, one time insurance payments, food or housing received in lieu of wages, federal and state non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches, and any other personal property of value.

- **CASH ASSET LIMIT:** The maximum allowable amount of total household cash assets shall not be more than two (2) times the amount of the estimated property tax obligation based on the current taxable value. (Example: 2024 taxable value is \$40,954, 2024 taxes are estimated to be \$1,334.00 – therefore household cash assets may be no more than \$2,668.00)
- **NON-CASH ASSET LIMIT:** The maximum allowable value of all total household non-cash assets shall not be more than five (5) times the amount of the estimated property tax obligation based on the current taxable value. (Example: 2024 taxable value is \$40,954, 2024 taxes are estimated to be \$1334.00. $\$1334.00 \times 5 = \$6,670.00$ – therefore household non-cash assets may be worth no more than \$6.670.00)

Exceptions:

- The principal residence for which the exemption is requested and one vehicle per adult whose income contributes to the total household income shall be exempt from consideration when computing total household non-cash assets.

7. The Board of Review shall use the Income and Asset Test worksheet to determine if an applicant/household qualifies for property tax relief via a poverty exemption as outlined .

IMPORTANT NOTES:

- Any poverty exemption percentage granted, reduces the property taxes but does not and cannot remove or reduce any special assessment in any way.
- The value of non-cash assets WILL NOT be reduced by any outstanding debt, loan or mortgage owed on said assets or where the asset was used as collateral for said debt, loan or mortgage.

Income & Asset Test Worksheet

Applicant(s) Name: _____

Parcel Number: _____

Property Address: _____

Section 1: Total Maximum Allowable Annual Household Income

Total Maximum Allowable Annual Household Income: _____ as per the Federal Poverty Guidelines for _____ (year) for household size of _____.

Total Annual Household Income from all sources reported as: _____

Is the total annual household income equal to or less than 100% of the Federal Poverty Guidelines for the household size? Yes _____ No _____

- If yes, Continue on to Section 2: Cash Assets
- If no, Is the total annual household income an amount equal to or less than 110%, 115% or 120% of the Federal Poverty Guidelines for the household size?
 - If yes, please list the percentage of the total annual household income as compared to the Federal Poverty Guidelines here _____ and then continue on to Section 2: Cash Assets.
 - If no, applicant does not qualify. Go to Section 4 – Exemption Determination

Section 2: Cash Assets for the Household

To Calculate Maximum Allowable Cash Assets do the following.

- Estimate the Property Tax Liability: Multiply the current year taxable value _____ by the last known total millage rate _____ to get an estimated property tax liability for _____ (year) = _____
- Determine the Maximum Allowable Cash Assets: Multiply the estimated property tax liability from above by two (2): _____ x 2 = _____.

Total Reported Cash Assets: _____

Are the reported cash assets below the maximum allowable amount? Yes _____ No _____

Section 3: Non-Cash Assets

To Calculate Maximum Allowable Non-Cash Assets do the following.

- Enter the Estimated Property Tax Liability from above here: _____
- Determine the Maximum Allowable Non-Cash Assets: Multiply the estimated property tax liability from above by five (5): _____ x 5 = _____.

Total Reported Non-Cash Assets: _____

Are the reported non-cash assets below the maximum allowable amount? Yes _____ No _____

Section 4: Exemption Determination

Does the applicant(s) meet income Guidelines: Yes_____ No_____ If Yes, by what percentage?_____

Does the applicant(s) meet cash asset test: Yes_____ No_____

Does the applicant(s) meet non-cash asset test: Yes_____ No_____

Is the answer Yes to all three requirements above: Yes_____ No_____

If yes, the applicant(s) Qualify to be approved for the exemption.

If no, the applicant(s) Do Not Qualify to be approved for the exemption

Exemption Determination – Circle One: Denied Approved

TOTAL HOUSEHOLD INCOME PERCENTAGE OF FEDERAL POVERTY GUIDELINES (FPG): _____

_____ Equal to or <100% of FPG = EXEMPTION OF 100%

_____ Equal to or <110% of FPG = EXEMPTION OF 75%

_____ Equal to or <115% of FPG = EXEMPTION OF 50%

_____ Equal to or <120% of FPG = EXEMPTION OF 25%

_____ > 120% of FPG DOES NOT QUALIFY FOR AN EXEMPTION

○ If APPROVED, please list reasons for approval:

○ If DENIED, please list the reasons the applicant(s) does not qualify: _____

Office/Board of Review Use Only: Signatures of BOR Members and Twp. Supervisor:

BOR Member Name

Signature

Date

BOR Member Name

Signature

Date

BOR Member Name

Signature

Date

Twp. Supervisor Name

Signature

Date

APPROVED CHECKLIST

Laketon Township Property Tax MCL 211.7u Poverty Exemption Application Checklist

Bring this list back with the completed application. Staff will go through your information with you and complete this checklist to verify all required information/documentation is included with your application. **We will block out any account numbers or social security numbers on the above items for your safety when making copies.**

____ Affirmation of Ownership/Occupancy (State Form 5739)

____ Application for MCL 211.7u Poverty Exemption (State Form 5737)

Part 1 & Part 9: Personal Information:

____ Photo Identification for all adults in household, an adult is anyone age 18 or older.

____ Birth Certificates, adoption or guardianship paperwork for all children in the household.

Part 2: Real Estate Information:

____ Proof of Ownership (Deed, land contract etc) for the property.

Part 3: Additional Property Information:

____ Ownership documentation for any additional real property owned or buying

Part 4 & 5: Employment Information & Income Sources— for ALL ADULTS in the household:

____ Most recent Federal Income Tax return for year ____ or have signed Affidavit

____ Most recent State Income Tax return for year ____ or have signed Affidavit

____ IF you do not have Federal/State income tax returns – Proof of Income pay stubs, W-2's, 1099's, etc

____ Most recent Homestead Property Tax Credit for year ____

____ Most recent Home Heating Credit for year ____

____ Copies of any Federal/State Aid received: Please specify: _____

____ Copies of any other income sources: Please specify: _____

Parts 6, 7, & 8: Asset Information:

____ Copies of all financial statements from bank accounts, cd's, mutual funds, etc.

____ Copies of any/all Life Insurance Policies

____ Motor Vehicle and Recreational Vehicle ownership documentation

____ Any Other assets: Please specify: _____

APPROVED CHECKLIST

Part 10 & 11: Personal Debt & Monthly Expense Information:

_____ Copy of most recent mortgage statement (show payment amount & balance due)

_____ Copies of most recent loan statements (show minimum payment amount & balance due)

_____ Copies of most recent credit card statements for any credit cards with balances owing

Copies of most recent bills: electric bill _____ gas bill _____ water bill _____ sewer bill _____

Phone bill _____ cable TV _____ car/home insurance _____ health insurance _____ garbage bill _____

Other(s): Please specify: _____

Office Use Only:

Checklist completed by: _____ On _____

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.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.

Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code

PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code

PART 3: HOMESTEAD PROPERTY INFORMATION — 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

PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)

- ☐ I own the property in which the exemption is being claimed.
- ☐ 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.
- ☐ 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.

PART 5: CERTIFICATION

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
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Designee must attach a letter of authority.

LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)

<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
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CERTIFICATION — 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
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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

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.

PART 1: PERSONAL INFORMATION — 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			

PART 2: REAL ESTATE INFORMATION

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			

PART 3: ADDITIONAL PROPERTY INFORMATION

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

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 10: PERSONAL DEBT — List all personal debt for all household members.

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

PART 11: MONTHLY EXPENSE INFORMATION

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)	

Continue and sign on Page 4

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
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