

2025 POVERTY EXEMPTION POLICY & GUIDELINES

The following ***policy and guidelines***, adopted by the Township Board of Eveline, shall be followed by the Eveline Township Board of Review when considering ***poverty exemptions according to section 211.7u of the Michigan Compiled Laws (MCL)***.

Application Guidelines: To be eligible for a Poverty Exemption; The applicant must:

1. File Form 5737 Application for MCL 211.7u Poverty Exemption
2. File Form 5739 Affirmation of Ownership & Occupancy to Remain Exempt by Reason of Poverty
3. Own and occupy the property as a principal residence. Provide federal and state income tax returns for the current or immediately preceding year, including any property tax credits, for all persons residing in the principal residence. (Disclosure of the income of an owner who is not residing in the principal residence is not required.) 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. Instead, Form 4988, *Poverty Exemption Affidavit*, may be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current or immediately preceding year.
4. Produce a valid driver’s license or other form of identification, if requested
5. Produce a deed, land contract or other evidence of ownership of the property, if requested.
6. Meet the income guidelines of this policy.
7. Meet the asset level test of this policy.

Income Test

- Total Annual Household Income (see examples on next page) shall not exceed the following amount applicable to the number of persons living in the household:

Persons in household	Income Level 100% Exemption	Income Level 75% Exemption	Income Level 50% Exemption	Income Level 25% Exemption
1	\$18,825	\$19,578	\$20,331	\$21,084
2	\$25,550	\$26,572	\$27,594	\$28,616
3	\$32,275	\$33,566	\$34,857	\$36,148
4	\$39,000	\$40,560	\$42,120	\$43,680
5	\$45,725	\$47,554	\$49,383	\$51,212
6	\$52,450	\$54,548	\$56,646	\$58,744
7	\$59,175	\$61,542	\$63,909	\$66,276
8	\$65,900	\$68,536	\$71,172	\$73,808
Each Additional	\$6,725	\$6,994	\$7,263	\$7,532

Eveline Township

Total Annual Household Income shall be based on Federal Poverty Income Guidelines and will be adjusted annually to agree to the federally established amount. Potential income and asset sources include (non-inclusive):

Income from all sources	Interest and dividends
Salaries & wages before deductions	Pensions
Net receipts from self-employment	Supplemental Security Income
Veteran payments	Net rental income
Royalties	Scholarships & grants
Unemployment compensation	Insurance
Workers' compensation	Retirement accounts
Alimony	Child support
General assistance	IRA/Keogh annuities
Social Security	New or reverse mortgages
Cash	Stocks & bonds
Checking & savings accounts	Investments
Money market accounts	Gifts
Assets in trust accounts	Deferred compensation

Asset Test

1. Things of value that a person can own and are exempt from consideration in determining eligibility for a poverty exemption include:
 - a. Applicant's principal residence, however, value of land in excess of 20 acres will count toward the overall asset limit
 - b. One motor vehicle per working adult
 - c. Essential household goods
 - d. Other assets, in addition to those described in letters a, b, and c above, valued at up to \$20,000, subject to the following:
 - Applicant will be deemed ineligible for exemption if cash balances in checking/saving accounts exceed \$5,000

Evaluation Procedures

1. The Board of Review shall follow the above policy and guidelines when making poverty exemption decisions.
2. The applicant should be prepared to answer questions regarding their financial affairs, health, status of people living in the household, and any other question relevant to the exemption request.
3. All information is subject to verification.
4. If the Applicant meets all eligibility requirements described above, the Board of Review shall grant the poverty exemption in whole or in part, as follows:
 - a. A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted to those who meet the asset test and applicable income test.
 - b. A partial exemption equal to a 75%, 50%, or 25% reduction in taxable value for the tax year in which the exemption is granted to those who meet the asset test and the applicable income test.
5. No poverty exemptions will be granted to those who do not meet both the asset test and an income test; and no reductions at percentages other than those described above will be considered.