

POVERTY APPLICATIONS

- Make sure to fill out the entire application.
- Include a copy of your Michigan and Federal 1040 Tax Return filed this year or the previous tax year for all persons living in the household. (If not required to file tax returns, include the poverty exemption affidavit form instead).
- Include a copy of your Michigan Homestead Credit Form (MI-1044-CR)
- Include your Social Security Benefits Statement, if you do not file an income tax return.
- Complete and include Forms 5737 and 5739
(https://www.michigan.gov/taxes/0,4676,7-238-43535_53197-540084--,00.html)
- Include the last 6 months of bank statements for all accounts of all persons in the household.
- Include any unemployment documentation.
- Include termination documentation if you lost your job.
- Include a copy of documentation showing any college or university scholarships or grants, fellowships or assistantships, if anyone in the house receives one.

2023 COMMERCE TOWNSHIP BOARD OF REVIEW

SUPPLEMENT TO APPLICATION FOR

A REDUCTION IN PROPERTY ASSESSMENT BECAUSE OF
INABILITY TO CONTRIBUTE TO THE PUBLIC CHARGES

(Tax relief under MCL 211.7u of the General Property Tax Act)

Please complete ALL information requested below and attach it to your completed state treasury [Form 5737](#), which must be completed together with [Form 5739](#), (if applicable). Be sure to provide ALL information requested on all forms.

THE PROPERTY THAT YOU ARE CLAIMING A POVERTY EXEMPTION
FOR MUST BE YOUR PRINCIPAL RESIDENCE.

1. OWNER OF PROPERTY

NAME OF APPLICANT: _____

-or-

AGENT ACTING ON APPLICANT'S (IF ANY): _____
(YOU MAY BE REQUIRED TO PRODUCE IDENTIFICATION)

APPLICANT'S ADDRESS: _____

PROPERTY PARCEL I.D. NO. _____

NAMES OF ALL PERSONS WHO OWN THE PROPERTY (PERSONS ON THE DEED OR LAND CONTRACT):

ADDRESS OF OWNERS WHO DO NOT RESIDE AT THE PROPERTY: _____

(YOU MAY BE REQUIRED TO PRODUCE A COPY OF DEED OR LAND CONTRACT)

DID YOU APPLY FOR A MICHIGAN HOMESTEAD PROPERTY TAX CREDIT LAST TAXABLE YEAR?

YES ☐ (Include your MI-1044-CR Form) -or- NO ☐

IF NO, WHY? _____

YOU MUST PROVIDE COMPLETE FEDERAL AND MICHIGAN TAX RETURNS FILED THIS YEAR OR THE PREVIOUS TAX YEAR FOR ALL PERSONS LIVING IN THE HOUSEHOLD, TOGETHER WITH A COPY OF YOUR MOST RECENT MICHIGAN HOMESTEAD PROPERTY TAX CREDIT FORM. IF YOU ARE NOT REQUIRED TO FILE A FEDERAL OR STATE INCOME TAX RETURN IN THE YEAR OR PRECEDING YEAR FOR WHICH YOU ARE CLAIMING THIS EXEMPTION, AN AFFIDAVIT MAY BE ACCEPTED IN ITS PLACE IN THE FORM PROVIDED BY THE STATE TAX COMMISSION. (A COPY OF THE STATE TAX COMMISSION POVERTY EXEMPTION AFFIDAVIT IS ATTACHED, [FORM 4988](#)).

2. TOTAL HOUSEHOLD INCOME (SUPPLEMENT TO FORM 5737)

LIST ALL ADDITIONAL INCOME SOURCES FOR ALL PERSONS IN THE HOUSEHOLD IF NOT ALREADY LISTED ON PART 5 OF FORM 5737:

Source of Income	Monthly or Annual Income (indicate which)

CALCULATE TOTAL MONTHLY INCOME FROM ALL SOURCES \$ _____
(include any income listed on Form 5737 in this total)

3. TOTAL HOUSEHOLD ASSETS (SUPPLEMENT TO FORM 5737)

LIST ALL ADDITIONAL ASSETS OF ALL PERSONS IN THE HOUSEHOLD IF NOT ALREADY LISTED ON PARTS 6, 7, AND 8 OF FORM 5737 (including coin collection, antiques, silver, gold, etc.):

Asset Type	Value

CALCULATE TOTAL VALUE OF ALL ASSETS \$ _____
(include any assets listed on Form 5737 in this total)

WHAT IS THE ASSESSED VALUE OF THE PRINCIPAL HOME? \$ _____

YOU MUST PROVIDE THE PAST 6 MONTHS OF BANK STATEMENTS FOR ALL BANK ACCOUNTS OF ALL PERSONS LIVING IN THE HOUSEHOLD.

4. TOTAL EXPENSES (SUPPLEMENT TO FORM 5737)

LIST ANY ADDITIONAL MONTHLY EXPENSES NOT ALREADY LISTED ON PART 11 OF FORM 5737:

Monthly Expense	Amount

CALCULATE THE TOTAL OF ALL MONTHLY EXPENSES \$ _____
(include any expenses listed on Form 5737 in this total)

5. IF YOU HAVE UNUSUAL EXPENSES; SUCH AS, HIGH MEDICAL BILLS, ETC., PLEASE LIST BELOW:

<u>DATE INCURRED</u>	<u>TYPE OF INJURY OR ILLNESS</u>	<u>AMOUNT</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

6. PLEASE RELATE ANY OTHER INFORMATION REGARDING YOUR CIRCUMSTANCES, FOR EXAMPLE, PLEASE SUPPLY ALL SUPPORTING DOCUMENTATION TO INCLUDE BUT NOT LIMITED TO: RECENT LOSS OF A JOB, ANY TYPE OF SEVERANCES, MEDICAL, ETC., THAT YOU WOULD LIKE TO BRING TO THE ATTENTION OF THE BOARD OF REVIEW. USE OTHER SIDE OF FORM IF NECESSARY.

7. IF YOU ARE NOT APPEARING IN PERSON, PLEASE STATE REASON:

COMMERCE TOWNSHIP HAS ADOPTED A HARDSHIP EXEMPTION ORDINANCE IN CHAPTER 2, ARTICLE V, DIVISION 5, SECTIONS 2-307 THROUGH 2-312 OF THE CHARTER TOWNSHIP OF COMMERCE CODE OF ORDINANCES. (A COPY OF THIS ORDINANCE IS ATTACHED.) FEDERAL POVERTY INCOME STANDARDS WILL BE USED TO DETERMINE ELIGIBILITY FOR A HARDSHIP EXEMPTION. (A COPY OF THESE STANDARDS IS ATTACHED.)

SIGN YOUR NAME (OWNER) _____
MUST BE SIGNED

AGENT: _____
MUST BE SIGNED PHONE NO. _____

APPLICANT'S PHONE NUMBER: _____
MUST BE PROVIDED

APPLICANT'S CELL PHONE NUMBER: _____
MUST BE PROVIDED

NOTE: IF A REDUCTION IN PROPERTY TAX ASSESSMENT IS GRANTED, THE REDUCTION IS FOR ONE YEAR ONLY. ASSESSMENTS WILL GO BACK TO THE ACTUAL ASSESSMENT THE FOLLOWING YEAR. IT IS NECESSARY TO APPLY EACH YEAR.

FOR BOARD OF REVIEW USE ONLY

PETITION NO. _____ DATE: _____, 2023

DISPOSITION BY BOARD OF REVIEW _____

_____ EXEMPTION GRANTED IN FULL EQUAL TO 100% REDUCTION IN TAXABLE VALUE

_____ EXEMPTION PARTIALLY GRANTED EQUAL TO 50% REDUCTION IN TAXABLE VALUE

_____ EXEMPTION DENIED

ASSESSMENT CHANGE FROM \$ _____ TO \$ _____

REASON FOR BOARD ACTION: _____

2023 FEDERAL POVERTY GUIDELINES

US Department of Health & Human Services

STC Bulletin 17 of 2021

Size of Family Unit	Poverty Guidelines	
	<u>Federal</u>	<u>Township</u>
1	\$13,590	\$20,385
2	\$18,310	\$27,465
3	\$23,030	\$34,545
4	\$27,750	\$41,625
5	\$32,470	\$48,705
6	\$37,190	\$55,785
7	\$41,910	\$62,865
8	\$46,630	\$69,945
For each additional person	\$4,720	\$7,080

DIVISION 5. - HARDSHIP TAX EXEMPTION

Sec. 2-307. - Statutory authority.

This division is adopted by authority of the provisions of MCL 211.7u, MCL 42.1 et seq. (the Charter Township Act) and MCL 42.20. This division does not apply to the property of a corporation.

(Ord. No. 73-95-0, § 1, 2-14-1995; Ord. No. 1.052, § 2, 3-9-2021)

Sec. 2-308. - Tax exemption eligibility requirements.

- (a) *Annual requirements.* A person owning property within the township who, in the judgment of the supervisor and board of review, by reason of poverty, is unable to contribute toward the public charges shall be eligible for an exemption in whole or in part from taxation on their principal residence under section 7u of Public Act No. 206 of 1893, as amended, provided such persons shall meet and do all of the following on an annual basis:
- (1) Own and occupy as a principal residence the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing with the township the form(s) prescribed by the state tax commission and any other forms requested by the township.
 - (2) File a claim with the board of review on a form prescribed by the state tax commission and provided by the township, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the current year, or if those returns are not yet available, then returns of the immediately preceding year. 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. If a 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, an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.
 - (3) Produce a valid driver license or other form of identification if requested by the supervisor or board of review.
 - (4) Produce a deed, land contract, or other evidence of ownership of the property for which an

exemption is requested if required by the supervisor or board of review.

- (5) Meet one and one-half (1.5) times the federal poverty guidelines published in the prior calendar year in the federal register by the U.S. Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902,.
- (6) Provide a transcript of the most recently filed federal income tax return for all persons residing in the principal residence.
- (7) Provide sequential bank statements for the six most recent months for all bank accounts of all persons residing in the principal residence.

(b) *Definitions.* The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Principal residence means the one place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. The term "principal residence" includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that is owned and occupied by an owner of the dwelling or unit. The term "principal residence" 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 by the owner. Contiguity is not broken by a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the two parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50 percent of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility registered under the living care disclosure act, Public Act No. 440 of 1976 (MCL 554.801—554.844). Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders.

(c) *Guidelines for income level test.* In considering whether a principal residence of a person is eligible for an exemption, the board of review shall consider a person's specific income level as well as the total household income.

- (1) Income shall include, but not necessarily be limited to:
 - a. Money wages and salary before any deductions.
 - b. Net receipts from any non-farm self-employment, these are receipts from a person's own business, professional enterprise or partnership after deductions for business expenses.
 - c. Net receipts from farm self-employment. These are receipts from a farm from which one operates as an owner, renter or share cropper, after deductions for farm operating

expenses.

- d. Regular payments from social security, railroad retirements, unemployment compensation, strike benefits from union funds, workers compensation, veterans payments, public assistance (including aid to families with dependent children, supplemental security income, emergency assistance money payments and non-federally funded general assistance or general relief money payments).
- e. Alimony, child support and military family allotments or other regular support from an absent family member or other family member not living in the household.
- f. Private pensions, government employment pensions (including military retirement pay) and regular insurance or annuity payments.
- g. College or university scholarships or grants, fellowships or assistantships.
- h. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, net gambling or lottery winnings.

(2) Income shall not include:

- a. 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.
- b. Withdrawals of bank deposits and borrowed money.
- c. Tax refunds, gifts, loans, lump-sum inheritances and one time insurance payments.
- d. Food or housing received in lieu of wages and the value of food and fuel produced on farms.
- e. Federal non-cash benefit programs such as Medicare, Medicaid, food stamps and school lunches.

(d) *Guidelines for asset level test.*

- (1) In considering whether a principal residence of a person is eligible for an exemption, the board of review shall consider a person's specific asset level as well as total household assets.

Assets shall include:

- a. Real estate and real property, including the principal residence;
- b. Savings owned by a person and his or her spouse including savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds or similar investments;
- c. Life insurance held by a person or his or her spouse;
- d. Vehicles, including but not limited to, cars, trucks, RVs, motorcycles, off-road vehicles, snowmobiles, and boats; and
- e. Other assets, including but not limited to, coin collections, antiques, silver, jewelry, and

other collectible items.

- (2) If a person's or the household's total assets exceed \$300,000.00, then the principal residence is not eligible for an exemption under this section.
- (3) If a person's or the household's total assets are \$300,000.00 or less, then the board of review may decide that the principal residence is entitled to a total or partial exemption under this section provided the person and principal residence are otherwise eligible under the other terms and conditions of this section.
- (4) The board of review may utilize two times the taxable value of the principal residence to determine its value if the owner has owned and occupied the principal residence for more than 20 contiguous years.

(Ord. No. 73-95-0, § 2, 2-14-1995; Ord. No. 73-08-2, § 1(2), 3-11-2008; Ord. No. 1.037, § 2, 5-8-2018; Ord. No. 1.052, § 2, 3-9-2021; Ord. No. 1.058, § 2, 1-11-2022)

Sec. 2-309. - Income reduction guideline.

The board of review, in addition to considering the federal poverty income standards, may award an exemption if an applicant's household income is reduced below one and one-half times the federal poverty income standards, by reason of:

- (1) Any expenses relating to illness of the applicant, or other persons residing in the homestead who are claimed as exemptions on the applicant's federal income tax return.
- (2) Any medical expenses incurred and paid by the applicant within the last year without government assistance and which were not covered by insurance.

(Ord. No. 73-95-0, § 3, 2-14-1995; Ord. No. 1.052, § 2, 3-9-2021; Ord. No. 1.058, § 2, 1-11-2022)

Sec. 2-310. - Application deadline.

An application for an exemption pursuant to this division must be filed after January 1, but before the day prior to the last day of the board of review.

(Ord. No. 73-95-0, § 4, 2-14-1995; Ord. No. 1.052, § 2, 3-9-2021)

Sec. 2-311. - Federal poverty income standards.

The assessing department shall make available to all applicants the most recent federal poverty guidelines as defined and determined by the U.S. Department of Health and Human Services.

(Ord. No. 73-95-0, § 5, 2-14-1995; Ord. No. 73-08-2, § 1(5), 3-11-2008; Ord. No. 1.052, § 2, 3-9-2021)

Sec. 2-312. - Exemptions.

The township shall make available to the public and publish on its website its policy and guidelines used for granting exemption under this division. The board of review shall follow the policy and guidelines of this division in granting or denying an exemption.

If a person claiming an exemption under this section is qualified under the eligibility requirements, the board of review shall grant the exemption in whole or in part, as follows:

- (1) A full exemption equal to a 100 percent reduction in taxable value for the tax year in which the exemption is granted.
- (2) A partial exemption equal to a 50 percent reduction in taxable value for the tax year in which the exemption is granted.
- (3) In determining whether to grant a 50 percent or 100 percent exemption, the board of review shall consider all of the following:
 - a. The extent to which an applicant completes the application and provides required application materials.
 - b. The extent to which the applicant has sought assistance from other institutional sources.
 - c. The history of the applicant in seeking the exemption.
 - d. The physical condition of the principal residence.

A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(Ord. No. 73-08-2, § 1(6), 3-11-2008; Ord. No. 1.052, § 2, 3-9-2021; Ord. No. 1.058, § 2, 1-11-2022)

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