

# CATO TOWNSHIP ASSESSOR'S OFFICE

MONTCALM COUNTY

PO Box 109, Lakeview, MI 48850

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## **Deadline for Submission of Poverty Application:**

The exemption application and additional required documents must be submitted to the local assessing unit on or after January 1 but before the day prior to the last day of the December Board of Review during the year in which the exemption is requested. It is recommended to submit paperwork prior to March 1 to ensure the annual summer and winter tax bills reflect the adjusted amount.

Please be aware if the exemption is granted, it is for the *current year only*. The exemption is intended to be a temporary form of assistance and applications must be submitted on an annual basis.

**Mail: Cato Assessor's Office, PO BOX 109, LAKEVIEW, MI 48850**

**Email: [Rossandyk@gmail.com](mailto:Rossandyk@gmail.com)**

## **Eligibility:**

1. Own and occupy the property as a principal residence.
2. 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.
3. Produce a valid driver license or other form of identification, if requested.
4. Produce a deed, land contract, or other evidence of ownership of the property, if requested.
5. Meet the federal poverty income guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services or alternative guidelines adopted by the local assessing unit (see attached page). The alternative guidelines cannot provide income eligibility requirements less than the federal guidelines.
6. Meet the asset level test adopted by the local assessing unit.

## **Income Guidelines:**

According to the United States Census Bureau "income" includes, but is not limited to:

- Money, wages, salaries before deductions, regular contributions from persons not living in the residence
- Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI)
- Alimony, child support, military family allotments

- Private and governmental retirement and disability pensions, regular insurance, annuity payments
- College or university scholarships, grants, fellowships, assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings
- The Michigan homestead property tax credit **cannot** be considered as income for purposes of the poverty exemption.

**Asset Test:**

The applicant is required to list all assets of all household members on the attached application. If the application does not provide enough space to list assets, please attach a separate page and write "see attached" on the application. Assets include but are not limited to the following:

- A second home and/or additional property not associated with the primary residence
- Vehicles, motor homes, campers, boats, motorcycles, ATVs, equipment, other personal property of value
- Jewelry, antiques, artwork
- Checking accounts, savings accounts, stocks, bonds, investments, as well as money received from the sale of those listed above, unless a person is in the specific business of selling such property
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances, one-time insurance payments

To be eligible for the exemption the total assets, **excluding the principal residence being claimed with a maximum footprint of 5 acres and one personal vehicle**, should not exceed the amount of the most recently published federal poverty income guidelines published in the prior calendar year based upon number of persons in household (see attached page).

**Application Documents Needed:**

To apply for the exemption, a person shall file all of the following on an annual basis. If a section of the application does not apply, please write N/A. Failure to submit a completed application or provide all required additional documents will disqualify the applicant from being eligible. If assistance is needed, please call the assessor's office to make necessary arrangements. **Please remove all account numbers and social security numbers from your documents.**

- Application and Affirmation for Poverty Exemption (Form 5737)
- Copies of 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. If not required to file federal or state income tax returns, the applicant is required to complete the Poverty Exemption Affidavit (Form 4988).
- Produce a valid driver's license or other form of identification, if requested
- Copies of the most recent statements for all bank accounts, investments, CDs, or other financial asset accounts for each household member, if requested
- Proof of income and assets from the Social Security Administration, Veterans Administration, Medicare, Medicaid, Bridge Card, or any scholarships for all household members, if requested
- Proof of all other assets or income listed on the application, if requested
- Proof of personal debt listed for all household members (Part 11 of application), if requested

- Proof of monthly expenses listed for all household members (Part 12 of application), if requested
- Upon request by the Board or Review or Assessor, produce a deed, land contract, or other evidence of ownership of the property for which an exemption is being requested

**If the applicant meets all requirements, the Board of Review will grant a reduction for the current year's property taxes in whole or in part as follows:**

1. A full exemption equals a 100% reduction in taxable value for the year in which the exemption is granted: or
2. A partial exemption equal to a 75% reduction in taxable value for the year in which the exemption is granted if between \$1.00 to \$2,600 over Income/Asset Test: or
3. A partial exemption equals a 50% reduction in taxable value for the year in which the exemption is granted if between \$2,601 to \$3,300 over Income/Asset Test: or
4. A partial exemption equals a 25% reduction in taxable value for the year in which the exemption is granted if between \$3,301 to \$4,600 over Income/Asset Test

#### **Board or Review Responsibilities**

The Board of Review shall approve or deny the request for the poverty exemption. The Board of Review is required to follow the policy and guidelines adopted by the local assessing unit in granting or denying a poverty exemption. The Board of Review is not permitted to deviate from the adopted policy and guidelines.

Poverty exemption applications can be heard at the March, July, or December Board of Review. However, there can only be one Board of Review decision for a specific calendar year; a subsequent Board of Review cannot reconsider a decision already made that year. For example: if an application is denied at the March Board of Review, it may not be reheard by the July or December Board of Review during the same calendar year. The taxpayer must file an appeal of the March Board of Review decision to the Michigan Tax Tribunal.

PA 191 of 2023 amends both MCL 211.7u and MCL 211.53 to authorize the July and December Board of Review to grant a poverty exemption, as a qualified error, for the immediately preceding year on the principal residence of a person who establishes eligibility as required by Section 7u. This applies if an exemption was not included on the assessment roll and was not previously denied. If application is being submitted for a prior-year exemption, the guidelines in effect for that prior year must be used.

As a reminder, a person who files a claim for the poverty exemption is not prohibited from also appealing the assessment on the same property in the same year.

#### **Appeal Rights**

An appeal of a decision of the March Board of Review is made by completing and submitting a petition to the Michigan Tax Tribunal no later than July 31 of the same year. A decision of the July or December Board of Review may be appealed by completing and submitting a petition to the Michigan Tax Tribunal within 30 days of the July or December Board of Review's decision. More information on how to file an appeal is available by contacting the Michigan Tax Tribunal. Information can also be viewed on the Michigan Tax Tribunal's website at <https://www.michigan.gov/taxtrib>.