Township Board Resolution to Adopt Poverty Exemption Income Guidelines and Asset Test

WHEREAS, the homestead of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under the General Property Tax Act; and

WHEREAS, the township board is required by Section 7u of the General Property Tax Act, Public Act 206 of 1893 (MCL 211.7u), to adopt guidelines for poverty exemptions;

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, that Ingersoll Township, Midland County, adopts the following guidelines for the supervisor and board of review to implement.

The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year.

To be eligible, a person shall do all the following on an annual basis:

1) Be an owner of and occupy as a homestead the property for which an exemption is requested.

2) File a claim with the supervisor or board of review, accompanied by federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns filed in the immediately preceding year or in the current year.

3) Produce a valid drivers' license or other form of identification if requested.

4) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if requested.

5) Meet the federal poverty income guidelines as defined and determined annually by the United States Office of Management and Budget.

6) Meet additional eligibility requirements as determined by the township board, including: the value of the person's assets, excluding the homestead, shall not exceed $20,000.

BE IT ALSO RESOLVED that the following formula shall be used to arrive at taxable value. The gross income multiplied by 2% divided by the current year homestead millage rate multiplied by one thousand shall equal the hardship taxable value for the current year.

$$\frac{\text{(GROSS INCOME X 2\%)}}{\text{MILLAGE RATE}} \text{ X } 1000 = \text{HARDSHIP TAXABLE VALUE}$$

(This will set the taxable value so the taxpayer will pay no more than 2% of their gross income in property taxes, excluding any special assessments. Special assessments do not qualify for the poverty exemption.)

BE IT ALSO RESOLVED that the board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the board of review determines there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these are communicated in writing to the claimant.

The foregoing resolution offered by Board Member Cline and supported by Board Member Shaffner.

Upon roll call vote, the following voted "Aye:" Cline, Shaffner, Keel, Tabb, Keel

"Nay:" None

The Supervisor declared the resolution adopted.

Mary Ellen Keel
Clerk

I, Mary Ellen Keel, the duly elected and acting Clerk of Ingersoll Township, hereby certify that the foregoing resolution was adopted by the township board of said township at the regular meeting of said board held on December 13, 2010, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.

Mary Ellen Keel
Clerk