

GRASS LAKE CHARTER TOWNSHIP BOARD OF REVIEW

2011 GUIDELINES FOR POVERTY EXEMPTIONS

A POVERTY Exemption is defined by the Michigan Compiled Laws Sec. 211.7u: The real and personal property of persons, in the judgment of the Supervisor and Board of Review by reasons of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act.

1. In granting a poverty exemption, the Board of Review realizes this represents a shift of that portion of the tax burden to the other taxpayers of the community.
2. A poverty exemption is granted for *one year only*. The applicant must apply each year to be considered for an exemption.
3. The poverty exemption shall apply only to the applicant's homestead and not excess land.
4. Property tax payments must be current.
5. *Any relief granted is a reduction over and above the \$1,200 maximum Homestead Property Tax Credit granted by the State of Michigan through income tax filing.*
6. A copy of the applicant's (and spouses', if filed separately) most recent FEDERAL INCOME TAX RETURN (if required to file Federal Income Tax) and MICHIGAN HOMESTEAD PROPERTY TAX CREDIT CLAIM must be submitted along with a completed Poverty Application Form.
7. Applicants are not eligible for consideration if they do not meet the following income guidelines as approved by the Grass Lake Charter Township Board of Trustees. These guidelines are established annually using 185% of the published Federal Guidelines, as published in the LIHEAP Clearinghouse (Low Income Home Energy Assistance Program) "State Percent of Poverty Guidelines for LIHEAP Components, Michigan".
 - \$19,980 – 1 member households
 - \$27,010 – 2 member households
 - \$33,855 – 3 member households
 - \$40,885 – 4 member households
 - \$47,730 – 5 member households
 - \$54,575 – 6 member households
 - \$61,605 – 7 member households
 - \$68,450 – 8 member households
 - \$6,845 Each additional member of household

Members of a household must qualify as a dependent from whom the applicant is entitled to a dependency exemption by IRS rules.

MAXIMUM ASSETS

The State Equalized Value (SEV) of your principal residence **may not** exceed \$100,000.

Applicants cannot have more than \$25,000 in assets to be eligible for consideration. Assets do not include the homestead or an automobile. Assets do include: stocks, bonds, mutual funds, insurance policies, coin collections, boats, ORVs, motorcycles, recreational vehicles, second homes or salable property, retirement accounts, jewelry, etc.

8. Meeting the guidelines does not automatically qualify an applicant for a poverty exemption. The Supervisor and Board of Review will take into account the expenses and extenuating financial circumstances which are temporarily beyond the control of the applicant.

Adopted at the _____ Grass Lake Charter Township Board of Trustees meeting.

Federal Guidelines

	<u>2008</u>	<u>2009</u>	<u>2010</u>
1 member households	\$18,889	\$10,400	\$10,800
2 member households	\$25,327	\$14,000	\$14,600
3 member households	\$31,765	\$17,620	\$18,300
4 member households	\$38,203	\$21,200	\$22,100
5 member households	\$44,641	\$24,800	\$25,800
6 member households	\$51,079	\$28,400	\$29,500
7 member households	\$57,517	\$32,000	\$33,300
8 member households	\$63,955	\$35,600	\$37,000
Each addtl member of household	\$ 6,438	\$ 3,600	\$ 3,700