5102 (Rev. 01-19)

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

Bulletin 19 of 2022
November 15, 2022
Procedural Changes for 2023

TO: Assessing Officers and County Equalization Directors

FROM: Michigan State Tax Commission

SUBJECT: Procedural Changes for the 2023 Assessment Year

The purpose of this Bulletin is to provide information on statutory changes, procedural changes and reminders for the 2023 assessment year. Additional guidance may be issued later if any pending legislation is enacted by the end of the year.

A. Inflation Rate Used in the 2023 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2023 Capped Value Formula is 1.05.

The 2023 Capped Value Formula is as follows:

2023 CAPPED VALUE = (2022 Taxable Value – LOSSES) X 1.05 + ADDITIONS

The formula includes 1.05 because the inflation rate multiplier of 1.079 is higher than 1.05.

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2023

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons shall not be set lower than $23,030 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than $23,030. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2023 assessments:

Size of Family Unit	Poverty Guidelines
1	$13,590
2	$18,310
3	$23,030
4	$27,750
5	$32,470
6	$37,190
7	$41,910
8	$46,630
For each additional person	$4,720

LEONI TOWNSHIP 913 FIFTH STREET MICHIGAN CENTER, MI 49254

WHEREAS, the General Property Tax Act, MCL 211.7u, states that 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 a township board is required by MCL 211.7u to adopt guidelines for the poverty exemption.

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, that Leoni Township, Jackson 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. To be eligible for exemption under this section, a person must do all 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 a form prescribed by the state tax commission with the local assessing unit.

2) File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, 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 immediately preceding year or in the current 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, and an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return.

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

BE IT ALSO RESOLVED that the board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption. The foregoing resolution offered by Board Member Kinch and supported by Board Member King. Upon roll call vote, the following voted "Aye:" "Nay:" The Supervisor declared the resolution adopted.
7 Ayes: Linnabary, Norris, King, King, Hill, Cox and Horning

Leoni Township Clerk I Cindy Norris, the duly elected and acting Clerk of Leoni 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 February 9, 2021, 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.

Cindy Norris

Clerk

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.

Petitioner's Name			Daytime Phone Number
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents
Property Address of Principal Residence		City	State / ZIP Code
☐ Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit	

PART 2: REAL ESTATE INFORMATION

List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.

Property Parcel Code Number		Name of Mortgage Company
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence
Property Description		

PART 3: ADDITIONAL PROPERTY INFORMATION

List information related to any other property owned by you or any member residing in the household.

☐ Check if you own, or are buying, other property. If checked, complete the information below.			Amount of Income Earned from other Property
1	Property Address	City / State / ZIP Code	
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid / Amount of Taxes Paid
2	Property Address	City / State / ZIP Code	
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid / Amount of Taxes Paid

Continue on Page 2

PART 4: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 5: INCOME SOURCES

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION

List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

PART 7: LIFE INSURANCE — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 8: MOTOR VEHICLE INFORMATION

All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

Continue on Page 3

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	$ Contribution to Family Income

PART 10: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION

The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance

Garbage	Daycare	Car Expense (gas, repair, etc.)
Other (type and amount)	Other (type and amount)	Other (type and amount)
Other (type and amount)	Other (type and amount)	Other (type and amount)

Continue and sign on Page 4

NOTICE: Per MCL 211.7u(2)(b), 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 must be submitted with this application. 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.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

☐ The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date

This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing MI 48909

Phone: 517-335-9760
E-mail: **taxtrib@michigan.gov**

List of Assets

(Including boats, ATV's, second home/ land, etc.)

Item:	Value:

Leoni Township 913 Fifth Street Michigan Center, Michigan 49254

WHEREAS, the General Property Tax Act, MCL 211.7u, states that 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, a township board has the option under MCL 211.7u(6) to permit by resolution a principal residence granted poverty exemption from the collection of taxes in tax year 2019 or 2020, or both, to remain exempt in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption, and may permit a principal residence granted poverty exemption for the first time from the collection of taxes in tax year 2021, 2022, or 2023 to remain exempt for up to 3 additional years after its initial year of exempt status without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption, if the person who establishes initial eligibility receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits; and

WHEREAS, a township board also has the option under MCL 211.7u(8) to continue poverty exemptions granted for 2019 or 2020, or both, through 2021, if the assessor determines that a principal residence of a person by reason of poverty is still eligible for this exemption if, on or before February 15, 2021, the township board adopts a resolution that continues the exemption through tax year 2021 for all principal residences within the local assessing unit that were exempt in tax year 2019 or 2020, or both; and

WHEREAS a township board may require the owner of a principal residence exempt from the collection of taxes to affirm ownership, poverty, and occupancy status in writing by filing Treasury Form 5739—Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty with the township.

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u(6), that Leoni Township, Jackson County, permits a principal residence granted poverty exemption from the collection of taxes in tax year 2019 or 2020, or both, to remain exempt in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption, and permit a principal residence granted a poverty exemption for the first time from the collection of taxes in tax year 2021, 2022, or 2023 to remain exempt for up to 3 additional years after its initial year of exempt status without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption, if the person who establishes initial eligibility receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.

ALSO, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u(8), that Leoni Township, Jackson County, continues the poverty exemption through tax year 2021 for all principal residences within the township that were exempt in tax year 2019 or 2020, or both. The township board requires owners of a principal residence exempt from the collection of taxes pursuant to this provision to affirm ownership, poverty, and occupancy status in writing by filing Treasury Form 5739—Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty with the township.

The foregoing resolution offered by Board Member Kinch and supported by Board Member Hill. Upon roll call vote, the following voted "Aye: 7: Linnabary, Norris, King, Kinch, Hill, Cox, and Horning" "Nay 0:" The Supervisor declared the resolution adopted. Leoni Township Clerk I, Cindy Norris, the duly elected and acting Clerk of Leoni 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 February 9, 2021, 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.

Cindy Jo Norris

Clerk

Michigan Department of Treasury
5739 (01-21)

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.

Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code

PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code

PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.

City or Township (check the appropriate box and enter name) ☐ City ☐ Township ☐ Village		County	
Name of Local School District			
Parcel Identification Number	Year(s) Exemption Previously Granted by Board of Review		
Homestead Property Address	City	State	ZIP Code

PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)

☐ I own the property in which the exemption is being claimed.

☐ The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.

☐ After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.

PART 5: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.

Owner or Legal Designee Name (print)	Signature of Owner or Legal Designee	Date

Designee must attach a letter of authority.

LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)

☐ Approved ☐ Denied (Attach appeal instructions and provide to owner.)	Tax Year(s) exemption will be posted to tax roll

CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.

Assessor Signature	Date Certified by Assessor

Michigan Department of Treasury
4988 (05-12)

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