

## 2026 POVERTY EXEMPTION POLICY & GUIDELINES

The following ***policy and guidelines***, adopted by the Township Board of Albert, shall be followed by the Albert Township Board of Review when considering ***poverty exemptions*** according to section 211.7u of the Michigan Compiled Laws (MCL).

**Application Guidelines:** To be eligible for a Poverty Exemption; The applicant must:

1. File Form 5737 Application for MCL 211.7u Poverty Exemption
2. File Form 5739 Affirmation of Ownership & Occupancy to Remain Exempt by Reason of Poverty
3. Own and occupy the property as a principal residence. 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.
4. Produce a valid driver's license or other form of identification, if requested
5. Produce a deed, land contract or other evidence of ownership of the property, if requested.
6. Meet the income guidelines of this policy.
7. Meet the asset level test of this policy.

### **Income Test**

- Total Annual Household Income (see examples on next page) shall not exceed the following amount applicable to the number of persons living in the household:

| Persons in Household | Income Level 100% Exemption | Income Level 75% Exemption | Income Level 50% Exemption | Income Level 25% Exemption |
|----------------------|-----------------------------|----------------------------|----------------------------|----------------------------|
| 1                    | \$18,780                    | \$19,171.25                | \$19,562.5                 | \$19,953.75                |
| 2                    | \$25,380                    | \$25,908.75                | \$26,437.5                 | \$26,966.25                |
| 3                    | \$31,980                    | \$32,646.25                | \$33,312.5                 | \$33,978.75                |
| 4                    | \$38,580                    | \$39,383.75                | \$40,187.5                 | \$40,991.25                |
| 5                    | \$45,180                    | \$46,121.25                | \$47,062.5                 | \$48,003.75                |
| 6                    | \$51,780                    | \$52,858.75                | \$53,937.5                 | \$55,016.25                |
| 7                    | \$58,380                    | \$59,596.25                | \$60,812.5                 | \$62,028.75                |
| 8                    | \$64,980                    | \$66,333.75                | \$67,687.5                 | \$69,041.25                |
| Each Additional      | \$6,600                     | \$6,737.50                 | \$6,875.0                  | \$7,012.50                 |

## Albert Township

Total Annual Household Income shall be based on Federal Poverty Income Guidelines with the adjusted levels to reflect a 20% increase to qualify for 100% exemption and will be adjusted annually to agree to the federally established amount. Potential income and asset sources include (non-inclusive):

|                                    |                              |
|------------------------------------|------------------------------|
| Income from all sources            | Interest and dividends       |
| Salaries & wages before deductions | Pensions                     |
| Net receipts from self-employment  | Supplemental Security Income |
| Veteran payments                   | Net rental income            |
| Royalties                          | Scholarships & grants        |
| Unemployment compensation          | Insurance                    |
| Workers' compensation              | Retirement accounts          |
| Alimony                            | Child support                |
| General assistance                 | IRA/Keogh annuities          |
| Social Security                    | New or reverse mortgages     |
| Cash                               | Stocks & bonds               |
| Checking & savings accounts        | Investments                  |
| Money market accounts              | Gifts                        |
| Assets in trust accounts           | Deferred compensation        |

### **Asset Test**

1. Things of value that a person can own and are exempt from consideration in determining eligibility for a poverty exemption include:
  - a. Applicant's principal residence
  - b. One motor vehicle per household adult
  - c. Essential household goods
  - d. Other assets, in addition to those described in letters a, b, and c above, valued at up to \$20,000, subject to the following:
    - Applicant will be deemed ineligible for exemption if cash balances in checking/saving accounts exceed \$5,000

### **Evaluation Procedures**

1. The Board of Review shall follow the above policy and guidelines when making poverty exemption decisions.
2. The applicant should be prepared to answer questions regarding their financial affairs, health, status of people living in the household, and any other question relevant to the exemption request.
3. All information is subject to verification.
4. If the Applicant meets all eligibility requirements described above, the Board of Review shall grant the poverty exemption in whole or in part, as follows:
  - a. A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted to those who meet the asset test and applicable income test.
  - b. A partial exemption equal to a 75%, 50%, or 25% reduction in taxable value for the tax year in which the exemption is granted to those who meet the asset test and the applicable income test.
5. No poverty exemptions will be granted to those who do not meet both the asset test and an income test; and no reductions at percentages other than those described above will be considered.