



2020 POVERTY EXEMPTION POLICY AND GUIDELINES

Section 211.7u (1) of the Michigan General Property Tax Act defines the *poverty exemption* as a method to provide relief for those who, in the judgment of the Board of Review are unable to fully contribute to the annual property tax burden of their principal residence due to their financial situation.

In granting Poverty Exemptions, the City of Hamtramck and the Board of Review recognize that it represents a shift of those property taxes exempted to the other taxpayers of the city. The poverty exemption is intended to assist those who are in temporary financial straits and is NOT intended as a permanent or continuous subsidy.

In order to qualify for a *Poverty Exemption* the applicant must annually:

1. Be the owner of record of the property
2. **Must** occupy the home and claim the Principal Residence Exemption.
3. File a completed application annually and timely* with all of the information required below:
 - a. **Signed** 2019 Federal Income Tax Return (1040 or 1040a) for all household members.**
 - b. **Signed** 2019 Michigan Income Tax Return (MI-1040) for all household members.**
 - c. **Signed** 2019 Homestead Tax Credit (MI-1040CR-4).
 - d. Valid Michigan Operator License or State of Michigan Identification.
 - e. Proof of property ownership such as Warranty Deed or Land Contract.
4. Meet the Hamtramck Poverty Income Guidelines, which are 110% of the Federal Poverty Income Guidelines as listed in Bulletin No. 14 of 2019 Procedural Changes for the 2020 Assessment Year, issued by the Michigan State Tax Commission.
5. Have an asset level (excluding the principal residence), **not to exceed 2 (two) times the Federal poverty level.** Households with 4 or more people will have a maximum asset level of \$51,500. (All bank, credit union balances, stocks, bonds, life insurance policies (cash value), jewelry, vehicles and recreational vehicles*** will be considered.)
Applying the above rule for 2020, the maximum limit on the worth of all assets would be calculated as follows: SINGLE PERSON HOUSEHOLD CALCULATION
 $2 \times 2020 \text{ Federal income limit } \$12,490 = \$ 24,980$
6. Cannot own or have interest in any real estate other than the principal residence.
7. If Mortgage or Land Contract was originated within the last **three years** you must provide a complete copy of the application for financing (since 01/01/2017).

Applicants may also file an appeal of the assessed, capped or taxable values in the same assessment year.

*For a thorough review, the completed application and necessary documentation must be submitted no less than 10 days prior the March, July or December Board of Review. If received timely, your application will be presented to the next scheduled Board of Review session. The Board of Review schedule for 2020 is as follows:

March:	Monday, March 9, 2020	Submit by February 28, 2020
July:	Tuesday, July 21, 2020	Submit by July 13, 2020
December:	Tuesday, December 15, 2020	Submit by December 7, 2020

**Statutory changes to allow an affidavit to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the individual filing for the exemptions. – Bulletin 17 of 2019, State Tax Commission

***Recreational Vehicles may include boats, snowmobiles, camping trailers, motor homes, motorcycles, travel trailers, jet skis and ATV (off road vehicles).

POVERTY EXEMPTION GUIDELINES (continued)

Below are the Federal Poverty income standards as published by the State Tax Commission that are used as income guidelines for the Poverty Exemption. The Applicants household income may **NOT** exceed:

Size of Family Unit	U.S. Federal Poverty Guideline	Federal Poverty Standard Multiplier	2020 City of Hamtramck Poverty Guideline
1	\$12,490	1.10	\$13,740
2	\$16,910	1.10	\$18,610
3	\$21,330	1.10	\$23,470
4	\$25,750	1.10	\$28,330
5	\$30,170	1.10	\$33,190
6	\$34,590	1.10	\$38,050
7	\$39,010	1.10	\$42,920
8	\$43,430	1.10	\$47,780
For Each Additional Person	\$4,420	1.10	\$4,870

The Board of Review *shall* consider income from *all* sources and from *all occupants* of the principal residence when determining whether an applicant meets poverty income standards.

The Board of Review shall not reduce the taxable value of an applicant that is not currently filing and receiving the maximum homestead credit refund (\$1,500.00) from the State of Michigan. This homestead credit refund provides financial relief from the State of Michigan, dependent on income, for Hamtramck residents. Any relief granted by the Board of Review shall be based upon the tax obligation in excess of the maximum \$1,500.00 homestead credit refund allowed by the State of Michigan.

The Board of Review shall not reduce the taxable value of an applicant to a value lower than that which would produce an annual ad valorem tax amount less than the sum of 3.2% of an applicant’s household income (amount deemed “ability to pay” by the State of Michigan) plus any property tax credit refund payable by the State of Michigan.

The Board of Review shall follow these guidelines when granting or denying a *Poverty Exemption*. The same standards shall apply to each claimant in the City for the assessment year. The Board of Review may not deviate from these policies and guidelines unless they determine there are *substantial and compelling* reasons given by the applicant in writing, or in person.

The Poverty Exemption application will require homeowners to give personal information for all household members. The Hamtramck Assessing Office will, to the best of their ability, respect the confidential nature of this information.

All Poverty Exemptions are, by law, effective for one year only.

Applicants will be notified in writing of the Board of Review’s decision and their appeal rights.

PLEASE CONTACT THE OFFICE AT 313-800-5233 ext. 820 WITH ANY QUESTIONS YOU MAY HAVE.

Thomas D. Monchak
Assessor



**CITY OF HAMTRAMCK
WAYNE COUNTY**

2020 - POVERTY EXEMPTION APPLICATION

TO BE CONSIDERED FOR POVERTY EXEMPTION, COPIES OF THE FOLLOWING ITEMS MUST BE INCLUDED WITH THIS APPLICATION. YOU MUST MAKE SURE TO HAVE THESE.

(Please initial after each copy is attached)

- _____ Federal income tax returns.
- _____ Federal income tax return supporting documents.
- _____ State income tax returns.
- _____ Michigan property tax credit form (MI 1040CR)
- _____ Federal & State income tax returns for all other individuals residing in your homestead.
- _____ Eligibility notice from Michigan Department of Social Services for anyone residing in the household.
- _____ Proof of property ownership (deed for property or Land Contract)
- _____ Other

The above required information must be filed with the Board of Review for the application to be considered by the Board of Review.

/B.O.R. Mar Jul Dec

Letter / Appt

Date: _____

Time: _____

Petition #: _____

Parcel No. _____

Name: _____

CITY OF HAMTRAMCK

WAYNE COUNTY

2020 - POVERTY EXEMPTION APPLICATION

A. DEADLINE

YOU MUST COMPLETE THIS APPLICATION IN FULL AND RETURN IT TO THE ASSESSING OFFICE BY: NO LESS THAN 10 DAYS PRIOR TO A MEETING OF THE BOARD OF REVIEW

COMPLETE AND RETURN THIS APPLICATION TO THE ASSESSOR, WITH ALL REQUIRED INFORMATION ATTACHED. **IF AN APPEARANCE IN PERSON BEFORE THE BOARD OF REVIEW IS REQUIRED, YOU WILL BE NOTIFIED SEPARTATELY OF THE DATE & TIME.**

B. STATEMENT

I, _____ being the **owner and resident** of the property listed below, desire to apply for Tax Relief under Section 74 of the Michigan General Property Tax Act: (The *principal residence* of persons who, in the judgement of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act. MCL Section 211.7u)

C. PROPERTY ADDRESS

Property address _____ Parcel # _____

Legal description _____

D. APPLICANT INFORMATION

Date of Birth _____

Phone Number: (_____) _____ (_____) _____ (_____) _____
Daytime Evening Cell

Other Contact Information: _____
(Name) (Phone)

<u>Current Marital Status</u>	<u># of Years</u>
() Married	_____
() Divorced	_____
() Widowed	_____
() Separated	_____
() Single	_____

Applicant Status

() Employed Full-time
 () Employed Part-time
 () Retired – How long _____
 () Laid-off – How long _____
 Possible return date _____
 () Disabled
 () Not working – How long _____
 Occupation _____
 Current or most recent employer _____

Describe any disability or health problems:

Spouse Status

() Employed Full-time
 () Employed Part-time
 () Retired – How long _____
 () Laid-off – How long _____
 Possible return date _____
 () Disabled
 () Not working – How long _____
 Occupation _____
 Current or most recent employer _____

Describe any disability or health problems:

Resident Information

Please list ***all people other than yourself or spouse*** currently living in your household.
 (Attach additional sheet if necessary)

	1	2	3	4	5
Full Name					
Age					
Relationship					
Occupation					
Annual Income					
Do they contribute to household income?	Yes No	Yes No	Yes No	Yes No	Yes No
Amount of Contribution					

E. PROPERTY

Are you and/or your spouse the sole owners of the property? Yes _____ No _____

If no, list all owners and their percentage of ownership. _____

Is the home paid in full? Yes _____ No _____

If no, number of years remaining on this Mortgage/Land Contract _____

What date was the property last financed or refinanced? (month / day / year) _____

Do you owe any delinquent mortgage payments? Yes _____ No _____

If yes, please list the amount \$ _____

Do you owe any delinquent taxes? Yes _____ No _____

If yes, please list the year(s) and amount(s) _____

Have any improvements, changes or additions been made to the property in the last two (2) years?

Yes _____ No _____ If yes, please explain _____

Are there any repairs, changes or additions that need to be made to the property? Yes _____ No _____

If yes, please explain _____

Do you have ownership in any other real estate? Yes _____ No _____ If yes, please describe the property, location, and estimated value _____

F. ASSET INFORMATION

List your current assets not including the real estate noted previously?

Cash \$ _____
 Checking Accounts/Saving Accounts,
 CDs, Money Markets \$ _____
 Stocks/Bonds/Treasury Bills \$ _____
 Insurance Policy (surrender-cash value) \$ _____
 Retirement Accounts \$ _____
 Personal Property (i.e. Jewelry, Coin Collection, Etc.) \$ _____
 Other – (please explain) _____ \$ _____

3

List all motor vehicles in household (whether paid in full or not) including cars, trucks, and recreational vehicles i.e.: boats, motorcycles, motor homes, travel trailers, jet skis, snow mobiles, ATV's, etc.

Vehicle Make & Year:	Payment:	Balance:	Est Value:
Vehicle Make & Year:	Payment:	Balance:	Est Value:
Vehicle Make & Year:	Payment:	Balance:	Est Value:
Vehicle Make & Year:	Payment:	Balance:	Est Value:
Vehicle Make & Year:	Payment:	Balance:	Est Value:
Other Assets:		Value:	

G. TAX CREDITS AND REBATES

If applicable, list and provide documentation for all tax credits and rebates received in 2019 or 2020

Property Tax Credit:	Other Credits:
Home Heating Credit:	

H. INCOME INFORMATION

Please list all sources of your personal income on a **MONTHLY** basis.

SOURCE	APPLICANT	SPOUSE/OTHER OCCUPANT(S)
Employment		
Social Security/SSI		
Pension		
Unemployment/Workers Compensation		
General Assistance (FIA, ADC, Food Stamps)		
Child Support/Alimony		
Family Support		
Interest (taxable & non-taxable); Dividends		
Rental Income		
Other Income (please explain) _____ _____		
TOTAL FOR APPLICANT AND OTHERS		

Has your income significantly changed in the last year? Yes _____ No _____ If yes, please explain

Has anyone in the household sold or given away interest in any property in the last 12 months? If so, please explain _____

I. EXPENSE INFORMATION

Please list all sources of household expenses on a **MONTHLY** basis.
 (Verification required upon request)

House Payment (principal & interest)	
Association/Condo Fees	
Taxes on other property	
Special Assessments	
Home Insurance	
Car Payment 1 st car	
Car Payment 2 nd car	
Auto Insurance	
Health Insurance (include prescription coverage)	
Medical Bills (not covered by insurance)	
Prescriptions (not covered by insurance)	
Child Care/Day Care	
Cable	
Utilities & Phone _____	
Other, (please explain) _____	

Mortgage/Land Contract Balance \$ _____ Monthly Payment \$ _____

Does this payment include taxes? Yes _____ No _____

Does this payment include insurance? Yes _____ No _____

Have your expenses significantly changed in the last year? Yes _____ No _____ If yes, please explain _____

J. DEBT INFORMATION

Please list any outstanding loans, credit cards, and personal debts.

(attach additional sheet if necessary)

	TO WHOM	FOR WHAT	MONTHLY PMT	BALANCE
1				
2				
3				
4				
5				

****To qualify for the 2020 Poverty Exemption you MUST meet the Income Guidelines as listed below.**

2020 Poverty Income Guidelines

The Federal Poverty Guidelines for 2020 Assessment year were issued by the State Tax Commission on October 14, 2019 – Bulletin #14 of 2019.¹ These guidelines were in effect on December 31, 2019 tax day.

The following are the Poverty Thresholds, for use in setting poverty exemption guidelines for the 2020 Assessment and Tax year.

Size of Family Unit	U.S. Federal Poverty Guideline	Federal Poverty Standard Multiplier	2020 City of Hamtramck Poverty Guideline
1	\$12,490	1.10	\$13,740
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For Each Additional Person	\$4,420	1.10	\$4,870

In the above table, the term “householder” is used when there are 2 persons residing in the homestead. If a house is owned jointly by a husband or wife, either the husband or wife may be listed as the house holder.

¹ State Tax Commission Bulletin #14 – Procedural Changes for the 2020 Assessment Year - Issued 10/14/2019.

K. APPLICANT CERTIFICATION

I/We understand that the statements contained in this application are true to the best of my/our knowledge. I/We also understand that this application will be denied or revoked if the information contained is found to be false or incomplete. I also authorize a representative of the Hamtramck Assessor and or Board of Review member to physically inspect my property at some point during the course of this year to ensure accuracy of the property appraisal record card.

Applicant Signature _____

Spouse Signature _____

IF AN EXEMPTION IS GRANTED, IT WILL BE IN EFFECT FOR THE CURRENT YEAR ONLY.

I/We have received and understand a copy of the poverty guidelines.

Applicant Signature _____

Spouse Signature _____

Name of Preparer if other than applicant: _____

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- _____ Eligibility notice from Michigan Department of Social Services for anyone residing in the household.
- _____ Proof of property ownership (deed for property or Land Contract)
- _____ Other

The above required information must be filed with the Board of Review for the application to be considered by the Board of Review.

WAIVER OF CONFIDENTIALITY

Parcel (Sidwell) Number #: _____

Property Address: _____

I (we), _____,
hereby consent to the examination of copies of my tax returns and related financial documents,
including but not limited to those listed below, by the City of Hamtramck Assessor and or
designate agent and by the members of the City of Hamtramck Board of Review:

- Federal Income Tax Returns
- Michigan Income Tax Returns
- Senior Citizens Homestead Property Tax Form
- General Homestead Property Tax Claim Form
- Statements from Social Security Administration

Furthermore, I consent to the discussion of the information contained in my tax returns and related financial documents at a duly convened public meeting of the City of Hamtramck Board of Review. By signing this Waiver of Confidentiality, I understand and acknowledge that I am forever giving up any and all possible claims I may have relative to the disclosure of information contained in said tax returns and related financial documents, which claims may arise pursuant to Internal Revenue Code Section 6103, and/or any other federal, state or local statute or regulation.

I have read this document in its entirety and sign this document of my own free will.

Dated: _____

Applicant Signature

Spouse / Co-Applicant Signature