

CITY OF DEARBORN HEIGHTS
2018 POVERTY EXEMPTION POLICY AND GUIDELINES
(Return no later than: _____)

INCOMPLETE APPLICATIONS AND/OR MISSING DOCUMENTATION
WILL RESULT IN A DENIAL

POVERTY EXEMPTION as defined by the Michigan Compiled Laws is as follows:

Section 211.7u: (1) The principal residence of persons who, in the judgment 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. This section does not apply to the property of a corporation.

Please be aware that as an applicant for Poverty Exemption you must also comply with the following section of the Michigan Compiled Laws:

Section 211.118: Perjury: Any person, who, under any of the proceedings required or permitted by this act shall willfully swear falsely, will be found guilty of perjury and subject to its penalties.

Section 211.119: Willful Neglect: Penalty-...a person who willfully neglects or refuses to perform a duty imposed upon that person by this act, when no other provision is made in this act, is guilty of a misdemeanor, punishable by imprisonment for not more than 6 months, or a fine of not more than \$300.00, and is liable to a person injured to the full extent of the injury sustained.

The members of the Board of Review analyze all properly submitted applications for Poverty Exemptions, according to amended P.A. 390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL). Each taxpayer will be treated the same, and the items to be considered and the manner in which they will be analyzed are listed under the following guidelines.

STATE LAW GUIDELINES (Section 211.7u):

- 1.) The application for the exemption, in whole or in part, must be completed in its entirety on an annual basis.
- 2.) The property must be owned and occupied by the applicant. A principal residence exemption must be on file confirming the property is their principal residence.
- 3.) Per MCL 211.7u(2b) provide current Income Tax Returns, both Federal and State, including Homestead Property Tax Credit claims (MI-1040CR 1, 2, 3, or 4) for **ALL PERSONS** residing in the homestead. Documentation for all income sources including but not limited to credits, claims, Social Security income, child support, alimony income, bridge cards, cash advances from credit cards and all other income sources must be provided at time of application. If applicant(s) is not required to file a Federal or State Income Tax return, they must complete and file an Income Tax Exemption Affidavit (PA 135 of 2012).
- 4.) Applicant must provide a copy of their driver's license or state I.D. The deed or other document proving ownership and/or residency or verification of information must also be provided.
- 5.) The applicant must meet federal poverty standards or the alternative guidelines as established by the City of Dearborn Heights Board of Review.
- 6.) The Board of Review shall follow the guidelines unless the Board determines there are substantial and compelling reasons why there should be a deviation from the guidelines. If the Board of Review deviates from this policy and guidelines for any reason they are required by statute to communicate the substantial and compelling reasons for the deviation from the guidelines in writing to the applicant.

CITY OF DEARBORN HEIGHTS GUIDELINES:

Picture ID (Drivers License; State ID) for primary applicant must be submitted.

1.) Poverty Exemption Applications are only applicable for the current year in which they are submitted. Under no circumstances will any poverty exemption be continued to the following year without a complete application submitted for that year. A new application must be submitted for every year.

2.) All owners and occupants, 18 years of age and older, of the subject property shall complete, and supply to the Assessing Department, the poverty application form accompanied by the required **copies of current income tax returns, both federal and state including attachments, the MI 1040 CR showing the Homestead Property Tax Credit and the Home Heating Credit.** Tax returns must be signed and dated to be eligible (for calendar year 2018-submit 2017 tax returns). Proof of gross annual income from all sources must be provided. Provide a copy of current pay stubs for all persons residing in the home.

According to the U.S. Census Bureau, “**income**” includes:

- Money, wages, and salaries before any deductions.
- Net receipts from non-farm self-employment. (These are receipts from a person’s own business, professional enterprise, or partnership, after deductions for business expenses.)
- Regular payments from social security, railroad retirement, unemployment, worker’s compensation, veteran’s payments and public assistance.
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, and regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, and assistantships.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Additional income sources:

- Gifts, loans, lump-sum inheritances, one-time insurance payments, etc.

Asset Guidelines Used in the Determination of Poverty Exemptions for 2018

Applicants must, in accordance with PA 390 of 1994, meet the “Asset Guidelines” as adopted by the City of Dearborn Heights Board of Review. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes.

All asset information, as requested in the Application for the Poverty Exemption, must be provided in its entirety. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may reject any application if the assets are not completely or properly identified.

Liquid assets may include, but are not limited to:

Bank accounts, stocks and bonds, IRA’s, Roths, other investment accounts, pensions, money received from the sale of property such as stocks, bonds, a house or car, or gifts and borrowed money, etc.

Additional total assets may include, but are not limited to, any of these either owned or leased:

A second home, vacant or excess land, rental property, extraordinary automobiles, recreational vehicles, including snowmobiles, boats, campers, travel trailers, motor homes, jet ski, motorcycles, off road vehicles, additional buildings other than residence, equipment, jewelry, antiques, artwork, other personal property of value, and any food or housing received in lieu of wages.

3.) All applications need to be received at the Assessing Department five full business days prior to the Board of Review. All applications will be processed by the Assessing staff to determine the percentage of household income consumed by property taxes. You may be contacted by a staff member to verify information or to do an interior and exterior field inspection of your property.

4.) It is the applicant's responsibility to complete all items on the application and give thorough explanations of information that are not self explanatory. If the applicant's circumstances do not meet the guidelines, an explanation of the substantial and compelling reasons must be submitted in writing or the application will be denied. Any additional information to be presented to the Board must be in writing and attached to the application. The Board of Review has the discretion to deviate from the policy and guidelines as set forth upon a showing of substantial and compelling reasons.

5.) If your expenses (not including property taxes) exceed your income, a written explanation will be required.

6.) A written affidavit is required for all household members over the age of 18 who are not cited as contributing to the household income. Attendance in college or any other schooling above high school is not considered a compelling reason for not contributing to necessary household expenses.

7.) Primary applicant may not own any other real estate. The Board can deny an application if they determine that monies spent in the past two years for unnecessary purchases and/or unnecessary property upgrades could have been used for property taxes.

8.) **Copies of the last three (3) months bank statements** for all persons residing in household must be included with application. Poverty exemptions are limited by \$2,000 in savings and other liquid assets and real estate holdings of the homestead (Principle Residence) only.

9.) If you have a **mortgage and/or home equity loan** on your property you must **provide a copy of your most recent statement(s)**. If you are more than ninety (90) days in arrears on your payments you may not qualify for a poverty exemption. You will be contacted just prior to the Board of Review for a more recent copy of your statement(s).

10.) If the principal residence has been purchased within five (5) years of application, attach documents used to qualify for the mortgage, or if no mortgage, explain why funds were not set aside for taxes.

11.) The State Equalized Value of the subject property shall not exceed \$100,000.

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 than the annual federal poverty guidelines. The Board may, upon their discretion, provide temporary relief or grant an annual reduction of the tax liability for a household that exceeds the federal guidelines.

2018 FEDERAL POVERTY STANDARDS

Size of family/ household residents	2018 Federal Poverty Standards	2018 Dearborn Heights Household Income Guidelines
1	\$12,060	\$14,850
2	\$16,240	\$20,025
3	\$20,420	\$25,200
4	\$24,600	\$30,375
5	\$28,780	\$35,550
6	\$32,960	\$40,725
7	\$37,140	\$45,900
8	\$41,320	\$51,100
additional persons	\$ 4,180 each	\$ 5,200 each

SUMMARY

In conclusion, the Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for the City of Dearborn Heights takes this task seriously and attempts to provide relief to all deserving residents within the city. The Board of Review may deny any appeal, regardless of income, if the financial hardship appears to be self created by the actions of the person or persons making the application.

Annual applications and guidelines are available after the approval of the City Council each year and shall be filed with the City of Dearborn Heights Board of Review five business days prior to the July or December Board of Review to the address listed below. It is recommended to file applications sooner if possible to avoid incomplete applications being submitted to the Board.

Board of Review
c/o Assessing Office
6045 Fenton
Dearborn Heights, MI 48127
Phone: 313 791-3460
Fax: 313 791-3461

July or December Board of Review denials may be appealed to Michigan Tax Tribunal within 35 days of the denial. A copy of the Board of Review decision must be included with the filing.

Michigan Tax Tribunal
P.O. Box 30232
Lansing, MI 48909
Phone: 517-373-4400
Fax: 517-373-4493
E-mail: taxtrib@michigan.gov

**CITY OF DEARBORN HEIGHTS, MICHIGAN
 6045 FENTON AVE. DEARBORN HEIGHTS, MI 48127
 HARDSHIP PROPERTY TAX REDUCTION WORKSHEET
 FOR TAX YEAR 2018**

PROPERTY ID NUMBER:	
TAXPAYER'S NAME:	
PROPERTY ADDRESS:	
PETITION NUMBER	
Petitioner's Income:	
Petitioner's Age:	
Petitioner's Liquid Assets:	\$ -
2018 Taxable Value	

2018 Estimated Millage	0
2018 Estimated Taxes	-
Less: Income x 3.5%	-
Taxes in excess of 3.5% of Income:	-
Michigan credit percentage	60%
Michigan credit	-
Estimated Owner's Portion:	-
Percentage of Income:	#DIV/0!
Taxpayer's contribution percentage	4%
Taxpayer's portion	-
Michigan credit	-
Estimated 2018 Total Tax	-

Proposed 2018 Taxable Value	#DIV/0!
Tenative Taxable Value	-
Decrease or No Change	#DIV/0!

POVERTY APPROVED

PARCEL NO. 82 33- _____

**CITY OF DEARBORN HEIGHTS
2018 POVERTY EXEMPTION APPLICATION**

You are responsible for attaching additional sheets to complete and/or explain any item. Incomplete or missing information will result in a denial.

NOTE: THE APPLICANT AND ALL PERSONS RESIDING IN THE HOMESTEAD OVER AGE 18 ARE TO COMPLETE AN INCOME INFORMATION STATUS SHEET, ACCOMPANIED BY THEIR 2017 FEDERAL AND STATE INCOME TAX FORMS.

Applicant Name: _____ Date: _____

Daytime Phone: _____

Alternate Phone: _____

Address of property for which the exemption is requested:

Purchase Date: _____ Amount Paid: _____

IF YOUR HOME'S CURRENT ASSESSED VALUE IS OVER \$100,000, PLEASE EXPLAIN THE UNUSUAL CIRCUMSTANCES WHICH THE BOARD SHOULD CONSIDER IN GRANTING YOU A POVERTY EXEMPTION. *(Please supply any documentation needed to verify.)*

IF PURCHASED WITHIN FIVE (5) YEARS, ATTACH DOCUMENTS USED TO QUALIFY FOR A MORTGAGE OR, IF NO MORTGAGE, EXPLAIN WHY FUNDS WERE NOT SET ASIDE FOR TAXES?

Mortgage/Land Contract Balance: \$ _____

Years left on Mortgage/Land Contract: _____

Monthly Payment: \$ _____ (____ with or ____ without taxes)

Describe any improvements, changes or additions made to the property in the last two (2) years including approximate costs:

Are you (and your spouse) the sole owners of the homestead? If not, explain:

Do you anticipate selling this homestead in the next year? ____Yes or ____No

Are the taxes paid up to date? ____Yes or ____No

Have you applied for a poverty exemption before? ____Yes or ____No

List all residents in household: *(attach additional sheets if necessary)*

	1	2	3
Name:			
Age:			
Relationship:			
Claimed as a Dependent? Y/N			

Is anyone other than occupants contributing to the household expenses?
____Yes or ____No If yes, who and how much?

Does the applicant or any other resident in the household have an ownership interest in any other real estate in Michigan or elsewhere? If yes, complete the following:

Location: _____

Tax ID #: _____

Current State Equalized Value: _____ Estimated Market Value: _____

Purchase Date: _____ Purchase Price: _____

HOUSEHOLD EXPENSES

NOTE: VERIFICATION OF EXPENSES MAY BE REQUIRED.

	MONTHLY	YEARLY
House Payment (principle and interest):		
Life Insurance:		
Health Insurance:		
Home Insurance:		
Auto Insurance:		
Car Payment(s):		
Gasoline:		
Home Heating/Cooling/Electricity:		
Telephone/land line/cellular:		
Water/sewer:		
Cable/Internet:		
Child Care:		
Food (not covered by food stamps/bridge card):		
Lawn care/snow removal:		

LOANS, CREDIT CARDS, AND OTHER DEBTS:
(other than real estate and vehicles)

To whom		To whom	
Address		Address	
Current balance		Current balance	
Monthly Payment		Monthly Payment	

(if more space is needed attach additional page)

MEDICAL/DENTAL AND/OR OTHER UNUSUAL EXPENSES:

NOTE: IF EXPENSES (WITHOUT PROPERTY TAXES) EXCEED INCOME, A PROPERTY TAX REDUCTION WILL NOT SOLVE YOUR FINANCIAL PROBLEM. PLEASE EXPLAIN OTHER ACTIONS YOU WILL BE TAKING:

INCOME AND STATUS SHEET FOR APPLICANT

Name: _____

Date of Birth: _____

Marital status: _____

Employed:

Disabled:

Full time: ___ Yes or ___ No

Number of years: _____

Part time: ___ Yes or ___ No

Describe: _____

Occupation: _____

Employer: _____ *(Attach supporting documents)*

Income per month _____
 ___ Gross or ___ Net

Qualify for benefits? ___ Yes or ___ No
(Attach document or an explanation why you do not qualify)

If not employed full-time and not disabled, explain why (not required if over age 65):

REPORT INCOME FROM ALL SOURCES:	MONTHLY	YEARLY
Wages, salaries, tips, sick, strike, sub-pay, etc:		
All interest and dividends including non-taxable:		
Net rent, business or royalty:		
Retirement pension/annuity:		
Capital gains less capital losses:		
Alimony and Child Support:		
Social Security, SSI or Railroad Retirement:		
Worker's Compensation, Veteran's Disability:		
DHS Payments:		
Food Stamps/Bridge Card:		
Other Taxable and/or Nontaxable Income:		
TOTAL INCOME:		

Total income last year \$ _____

Explain if your income last year is not similar to this year, or if you anticipate any major changes in the coming year. Provide proof if you have become recently unemployed. Indication of current job search must be provided.

OTHER ASSETS: *(Attach bank statements and/or other verification)*

Savings Account, Certificates, or Money Markets:	
Checking Account:	
Stocks/ Bonds/ Treasury:	
Investments:	
IRA, Annuities, Deferred Compensation etc.:	
Investment property (gems, antique cars, coin collection, etc):	

Vehicles, cars, trucks, boats, etc:	#1	#2	#3
Make, Year & Model:			
Value:			
Balance owed:			
Monthly Payment:			

**INCOME AND STATUS SHEET
FOR OCCUPANT OTHER THAN APPLICANT**
(attach an additional form for each occupant over 18 years old)

Name: _____
Date of Birth: _____
Marital Status: _____

Employed:

Disabled:

Full time: ___ Yes or ___ No
Occupation: _____
Employer: _____
Income per month _____
___ Gross or ___ Net

Number of years: _____
Describe: _____
(Attach supporting documents)
Qualify for benefits? ___ Yes or ___ No
(Attach document or an explanation why you do not qualify)

If not employed full-time and not disabled, explain why (not required if over age 65):

REPORT INCOME FROM ALL SOURCES:	MONTHLY	YEARLY
Wages, salaries, tips, sick, strike, sub-pay, etc:		
All interest and dividends including non-taxable:		
Net rent, business or royalty:		
Retirement pension/annuity:		
Capital gains less capital losses:		
Alimony and Child Support:		
Social Security, SSI or Railroad Retirement:		
Worker's Compensation, Veteran's Disability:		
DHS Payments:		
Food Stamps/Bridge Card:		
Other Taxable and/or Nontaxable Income:		
TOTAL INCOME:		

Total income last year \$ _____

Explain if your income last year is not similar to this year, or if you anticipate any major changes in the coming year. _____

OTHER ASSETS: (Attach bank statements and/or other verification)

Savings Account, Certificates, or Money Markets:	
Checking Account:	
Stocks/ Bonds/ Treasury:	
Investments:	
IRA, Annuities, Deferred Compensation etc.:	
Investment property (gems, antique cars, coin collection, etc):	

Vehicles, cars, trucks, boats, etc:	#1	#2	#3
Make, Year & Model:			
Value:			
Balance owed:			
Monthly Payment:			

**AUTHORIZATION TO VERIFY
POVERTY APPLICATION DATA & TO INSPECT PROPERTY
(2018 application)**

PLEASE READ CAREFULLY:

Parcel Number: _____

Property Address: _____

I/We, _____, am unable to pay the full property taxes on my/our property and hereby make application for property tax relief in accordance with Section 211.7(u)MCL. I/We have read this application and the Poverty Exemption Guidelines and I/We fully understand the contents thereof. I/We declare that the statements made herein are complete, true, and correct to the best of my/our knowledge. I/We further understand that if any information contained herein is found to be false or incomplete, or if the property is sold within the year, any and all relief granted by this application will be forfeited and placed back on the assessment roll with penalties and interest occurring on the additional tax liability.

I/We also authorize a representative of the City of Dearborn Heights Assessing Staff to physically inspect my/our property at some point during the course of this year to ensure accuracy of the property appraisal record card.

APPLICANT SIGNATURE: _____ DATE: _____

SPOUSE SIGNATURE: _____ DATE: _____

OTHER OWNERS: _____ DATE: _____

_____ DATE: _____

WAIVER OF CONFIDENTIALITY

Parcel 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 Dearborn Heights Assessor and/or her designated agent and by the members of the Dearborn Heights 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 Dearborn Heights 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.

APPLICANT SIGNATURE: _____ DATE: _____

Poverty Exemption

CHECKLIST

Below is a checklist of items needed for the local Board of Review to make an accurate decision about your application for poverty exemption. Please provide copies as documents are unable to be returned once submitted.

- Completed application for Poverty Exemption
- Completed Income & Status Sheet for each owner/occupant in the home 18 years or older (attached to application)
- Current State & Federal Income Tax Returns for each owner/occupant in the home 18 years or older; including Homestead Credit and Home Heating Credit
- Most recent 3 months of Bank Statements for all accounts of each owner/occupant in the home
- Documentation for all income sources including but not limited to credits, claims, Social Security income, child support, alimony income, bridge cards, student loans, scholarships, grants, cash advances from credit cards and all other income sources
- Copy of Drivers License (front & back)
- Copy of Mortgage or financing information if home was purchased in the last 5 years
- If applicable, a written explanation of why any person(s) in the home 18 or over is not contributing to the income and expenses of the property
- If applicable, a written explanation of why one's expenses exceed one's income, excluding property taxes
- If applicable, most recent mortgage/home loan statements