



CITY OF ANN ARBOR, MICHIGAN

301 E. Huron St, P.O. Box 8647, Ann Arbor, Michigan 48107
General Office (734) 794-6530 Fax Number:
<http://www.a2gov.org>

Enclosed is the City of Ann Arbor Guidelines for Poverty Exemptions, Instructions and an "Application for One Year Poverty Exemption" for your completion and execution.

PLEASE READ THE INSTRUCTIONS CAREFULLY. Even if you were granted a poverty exemption in the past, you are required to answer every question and submit copies of all documentation requested with the application. Use extra sheets for explanation when necessary. If your application is incomplete, not executed, and you do not include the required documents; this may affect the determination by the Board of Review.

Please return your application and the required documents to the Assessor's Office by the due date given at the bottom of the instruction sheet. Making a personal appearance before the Board of Review is not necessary to have your application considered; however, the Board of Review may, on short notice, request any applicant to appear.

Seniors in need of assistance in preparing and filing a poverty application and other required tax forms should contact the Housing Bureau for Seniors at 734-998-9339; they will direct you to the appropriate volunteers for assistance. Additionally, the Housing Bureau may be able to provide financial help if you are facing the loss of your home due to tax sale or mortgage foreclosure.

Sincerely,

The Ann Arbor City Assessor's Office

(734) 794-6530

INSTRUCTIONS FOR POVERTY EXEMPTION
City of Ann Arbor

The Application for One Year Poverty Exemption is in keeping with the requirements of state law. **Please read these instructions carefully.** To be considered for a poverty exemption, the following information must be provided:

1. **COMPLETE ALL SECTIONS OF THIS APPLICATION AND SIGN THE APPLICATION.**
2. Submit **completed and signed copy** of the following for each owner:
 - Current or prior year **Michigan Homestead Property Tax Credit Claim (MI 1040 CR)**.
 - Current or prior year **Federal Income Tax Return (1040)**, if you are required to file federal income tax, include all schedules and attachments.
 - Current or prior year **Federal Income Tax Return (1040)** for all other occupants residing in your home.
3. If applicant or any person residing in the residence was not required to file a federal or state income tax return for the current or preceding tax year, a Michigan Department of Treasury **Poverty Exemption Affidavit** must accompany the Application for Poverty Exemption for all persons residing in the residence. Copies of the Poverty Exemption Affidavit are available at the City of Ann Arbor Assessor's office or online from the Department of Treasury's website.
https://www.michigan.gov/documents/treasury/4988_388856_7.pdf
4. If an family member or other persons live in your home is or is not employed but has income from another source, you must show the income as "Household Income of Dependent's and All Other Persons Living In The Residents" on page 2 of the application. It must also be included in Total Household Income for the prior year.
5. If you completed the section on page 2 of the application indicating you have major or "Severe and Unavoidable Expenses," you must provide documentation verifying these expenses. This does not include everyday living expenses, the purchase of automobiles, credit card debt, and medical expenses paid by insurance, etc.
6. The application must be legible. If you need to provide additional information, please attach a separate sheet; do not write in the margins of the application.
7. Do not submit originals of supporting documentation as we must keep these for our records and cannot be returned.
8. **If the application is incomplete or you do not include copies of the required financial documents, this lack of information may effect the determination of your claim for a poverty exemption by the Board of Review.**

RETURN THE ORIGINAL APPLICATION FULLY EXECUTED AND REQUIRED DOCUMENTATION AFTER JANUARY 1ST OF EACH YEAR AND NO LATER THAN ONE DAY PRECEEDING THE CONVENING OF THE BOARD OF REVIEW.

CITY OF ANN ARBOR BOARD OF REVIEW
GUIDELINES FOR POVERTY EXEMPTIONS

The Board of Review may grant property tax exemptions (in whole and in part) to the principal residence of persons who, in the judgement of the supervisor and the Board of Review, are by reason of poverty unable to contribute toward the public charges. MCL 211.7u(1). Such exemptions are referred to herein as “poverty exemptions.” Corporations are ineligible for poverty exemptions. In accordance with MCL 211.7u(1), the Board shall not grant a poverty exemption to any individual who the Board finds has the ability to contribute towards public charges, but otherwise meets the poverty income eligibility guidelines herein (e.g., self-imposed poverty).

Guidelines

1. In granting poverty exemptions, the Board of Review realizes this represents a shift of that portion of the tax burden to the other taxpayers of the community and state.
2. Poverty exemption are only available to persons who own and occupy the subject property as their “principal residents,” as that term is defined in MCL 211.7dd.
3. To be considered for a poverty exemption, the applicant must submit the requirements of MCL 211.7u(2) on an annual basis and fully complete, execute and deliver an application for such exemption to the assessor after each January 1st (for the applicable year) but before the day prior to the last day of the board of review (for the applicable year).
4. Any relief granted is a reduction over and above the \$1,200 maximum Homestead Property Tax Credit granted by the State of Michigan.
5. The Board of Review may request an applicant to personally appear before the Board to respond to any questions the Board or Assessor may have.
6. Poverty exemptions must be applied for each year. If an exemption is granted, it is for one year only.

7. The total income of the applicant and each member of the applicant's household shall not exceed the Federal Poverty Income Standards, as defined and determined annually by the U.S. Department of Health and Human Services and annually published by the Michigan State Tax Commission for a one person household times a factor of 2.00 plus the Federal Poverty Standards for each additional person times a factor of 1.10 (the "household income test").
8. The Board of Review may make an exception from the household income test should income be greater than allowed under this guideline, if the applicant documents expenses that are beyond the ordinary scope of expected costs, and where such expenses are beyond the ordinary scope of the expected costs, and such expenses are both severe and unavoidable (e.g., unusually high health care costs not covered by insurance).
9. The guideline for the maximum assets the taxpayer may have is \$25,000. Assets are defined as resources other than the homestead and the standard mode of transportation. If the homestead property assessed value exceeds 150% of the average assessed value of the residential class as determined by the Assessor, the poverty exemption will not be considered.
10. The Board of Review shall follow these guidelines as approved by Ann Arbor City Council as set forth herein for granting or denying a poverty exemption unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from these guidelines. Any deviations from this guideline must be documented by the Board of Review and supplied to the applicant in writing.

**CITY OF ANN ARBOR
CONFIDENTIAL APPLICATION FOR POVERTY EXEMPTION**

Parcel #		Tax Year		Petition #	
Name				Phone	
Address					
Birthdate		Email Address			
Marital Status		Married		Single	
		Widow		Divorced	
Number of people residing in household (including self)				Number of years living in the City of Ann Arbor	
Did you receive a poverty exemption last year?			If yes, what was the reduced taxable value?		

INFORMATION TO BE SUPPLIED BY APPLICANT

Please provide a copies of:

1. Federal Income Tax Return (current or prior tax year).
2. Michigan State Income Tax Return (current or prior year).
3. Michigan Homestead Property Tax Credit Claim (current or prior year).
4. A copy of your driver's license or Michigan identification card.

MCL 211.7u(2)(b) requires proof of eligibility for the exemption to be granted, if not, the application can be viewed as incomplete and exemption claim denied. If the applicant does not file a federal and state income tax returns, the applicant must execute an affidavit obtained from the Assessor's Office.

NOTE: If the applicant does not own and occupy and qualify for the Michigan homestead property tax credit, applicant **may not qualify** for the poverty exemption.

EMPLOYMENT STATUS

Are you or your spouse currently employed?		Full Time	Part Time	Disabled	Retired	Last Employed
Self						
Spouse						
Do you or your spouse qualify for either disability exemption?		% Disability	Income		% Disability	Income
Veterans Disability	Applicant			Spouse		
SSI Disability						

INCOME DECLARATION

Source	Description	Monthly	Annual
Wages from employment			
Self-employment Income			
Rental Income			
Interest from savings			
Interest from bonds			
Interest from Land Contracts			
Stock Dividends			
One-time unearned income			
Alimony			
Child Support			
Gifts (regular and periodic)			
Unemployment Benefits			
Social Security			
Railroad Retirement			
Union Strike Benefits			
Disability Insurance			
Military Family Allotments			
Pension/Retirement			
Public Assistance			
Total Income			

**CITY OF ANN ARBOR
CONFIDENTIAL APPLICATION FOR POVERTY EXEMPTION**

HOUSEHOLD INCOME OF DEPENDENT'S AND ALL OTHER PERSON LIVING IN THE RESIDENTS

Name	Relationship	Age	Source of Income	Monthly	Annual
Total Income					
Total Household Income					

MAJOR HOUSEHOLD EXPENSES

Source	Description	Monthly	Annual
Mortgage Payment			
2nd Mortgage Payment			
Property Taxes			
Utilities - Electric			
Utilities - Gas			
Utilities - Water/Sewer			
Utilities - Telephone			
Utilities - Cable TV/Broadband			
Food - Out of Pocket (exclude Bridge benefits)			
Prescription Expenses -Out of Pocket			
Medical Expenses - Out of Pocket			
Dental Expenses - Out of Pocket			
Insurance Premium - Property & Liability			
Insurance Premium - Medical, Dental, Eye, etc.			
Insurance Premium - Automobile			
Automobile Expenses (gas, repairs, etc.)			
Other Major Expenses			
Total Expenses			
Approximate Household Net Income			

SEVERE AND UNAVOIDABLE EXPENSES

Type of Expense	Monthly	Annual

**CITY OF ANN ARBOR
CONFIDENTIAL APPLICATION FOR POVERTY EXEMPTION**

ASSETS

	Description	Est. Value
Real Estate (primary residence)		
Real Estate (income property)		
Bank Accounts		
Stocks		
Bonds		
Pension		
Vehicles		
Fine Art		
Mineral Rights		
Other		

Total Assets

LIABILITIES

	Origination Date	Retirement Date	Original Loan Amount	Current Loan Balance	Monthly Payment	Annual Payment
Mortgage						
2nd Mortgage or Reverse Mortgage						
Line of Credit						
Vehicle Loans & Leases						
Loan from Retirement Account						
Loan from Family Members						
Student Loans						
Credit Card Debt						
Other Long & Short Term Debt						

Total Liabilities

Approximate Net Worth

DECLARATION OF LIABILITY

Notice: The Board of Review may request your appearance for clarification on any subject matter relative to this application and claim for poverty exemption. Meetings of the Board of Review are open to the public and held in compliance with the Michigan Open Meetings Act.

I, the undersigned Applicant and Petitioner, hereby declare that the foregoing information is complete and true and that neither I, nor any household member residing within my principal residence, have assets, money, income, or property other than mentioned herein. I further declare that I own and occupy this property as my primary residence, and that I am unable to pay my full share of property taxes at this time for reasons of ability to pay.

	Signature	Date	Print Name
Petitioners			
Preparer			

This original application completed in its entirety and fully executed shall be filed with the Assessor's Office after January 1 in the year of the claimed exemption, but before the day prior to the last day of the March, July or December Boards of Review to the address below.

Board of Review, City of Ann Arbor, 301 E Huron Street, Ann Arbor, MI 48107-8647
Assessor's Office: 734-794-6530 Email: assessor@a2gov.org

**CITY OF ANN ARBOR
CONFIDENTIAL APPLICATION FOR POVERTY EXEMPTION**

FOR OFFICE USE ONLY - DO NOT WRITE IN THE SECTION BELOW

Line Item	Inputs	
Line #1	Current Year Taxable Value	
Line #2	Current Year Assessed Value	
Line #3	150% of Avg. Assessed Value	\$ 254,700
Line #4	Property Owner's Age	
Line #5	# of Dependents	
Line #6	Household Income	
Line #7	Total Assets	
Line #8	PRE Real Property TCV	
Line #9	Primary Vehicle TCV	
Line #10	Net Household Assets *	
Line #11	Maximum Allowable Assets	\$ 25,000

* Excludes value of primary residence and primary vehicle.

Table #1

Size of Family Unit	2019 Federal Poverty Guideline	2019 City of Ann Arbor Poverty Income Guideline
1 Person +	\$ 12,140	\$ 24,280
2 Person	\$ 16,460	\$ 29,032
3 Person	\$ 20,780	\$ 33,784
4 Person	\$ 25,100	\$ 38,536
5 Person	\$ 29,420	\$ 43,288
6 Person	\$ 33,740	\$ 48,040
7 Person	\$ 38,060	\$ 52,792
8 Person	\$ 42,380	\$ 57,544
Each Additional Person ++	\$ 4,320	\$ 4,752

+ "1 Person" City of Ann Arbor poverty income level is determined each year by multiplying the federal poverty income level by a factor of 2.0.

++ "Each Additional Person" is adjusted by a factor of 1.10.

	#1	#2	#3 (#1 x #2)
Description	Household Income Line #6	% of Household Income	Non-Refundable Taxes
% of Household Income		3.5%	

(Household Income x % of Household Income) = Non-Refundable Taxes

	#1	#2	#3 (#1 + #2)	#4	#5 (#3 / #4)
Description	Non-Refundable Taxes Table #2	Maximum State Homestead Refund	Total Non-Refundable Taxes + State Homestead Refund	Prior Tax Year PRE Millage Rate	Minimum Taxable Value
Poverty Exemption Minimum Taxable Value		\$1,200			

(Non-Refundable Taxes + State Homestead Refund) / PRE Millage Rate = Minimum Taxable Value