

SYLVAN TOWNSHIP

2019 HARDSHIP EXEMPTION POLICY AND GUIDELINES

General Information:

1. The hardship exemption for property taxes under MCL 211.7u is granted on an annual basis. An applicant must submit a new application each year in order to retain eligibility.
2. The hardship exemption is only available for a property used as a principal place of residence (homestead).
3. The hardship exemption is calculated based on the number of “household members” in the applicant’s residence, which includes any person listed on the deed, or residing in the residence on a full time basis, or any person who could be claimed as a dependent of the applicant on the current year’s federal tax return.
4. The Board of Review has discretion to review the totality of an applicant’s circumstances and grant or deny an exemption based on substantial and compelling reasons not accounted for in these guidelines.

Application Process:

1. **Applications for hardship exemptions will be processed at the March, July, and December meetings of the Board of Review. To be considered, applications must be received by the Assessor’s office at least 7 days before the start of the meeting at which the application is to be considered.**
2. Applications must be submitted using the standard form available in the Assessor’s office. A complete application includes:
 - a. All information requested on the application form.
 - b. A copy of the deed showing the applicant’s ownership of the property (if requested).
 - c. A copy of the MI-1040CR form showing the Homestead Property Tax Credit.
 - d. Copies of the prior years’ federal and state income tax returns for each household member over 18 years of age. If any such household member is not required to file a federal or state income tax return, an affidavit on Michigan Treasury Form 4988 must be submitted instead.
 - e. Supporting documentation for all income sources reported on the application form (*e.g.* recent pay stubs, receipts, investment account year-end reports, etc.), if requested.
 - f. If applicable, supporting documentation for any unusually high expense (*e.g.* medical expenses).
3. When completing the required forms, it is the applicant’s responsibility to provide sufficient information and documentation regarding each item. The Board of Review may ask for additional information and documentation if it deems such information is needed to fully assess financial circumstances.
4. Except as otherwise provided in this paragraph, the first year that an applicant files for an exemption they must appear in person before the Board of Review. Upon receiving an application, the Assessor shall contact the applicant to schedule the in-person appearance. The Assessor may, in the Assessor’s discretion, authorize an appearance by telephone or by personal representative if an in-person appearance would create an undue burden. During the required appearance, the Board of Review may ask questions regarding the applicant’s finances in order to verify the information in the application.

Asset Guidelines:

1. "Household assets" include, but are not limited to, the cash value of savings accounts and shares, certificates of deposit, investments such as stocks, bonds, mutual funds, retirement savings (including, without limitation, accrued pension benefits, IRAs, annuities, and 401(k)s), cashable insurance policies, equity in real estate other than the homestead for which the exemption is claimed, equity in recreational motor vehicles, jewelry, coins and other collectables, precious metals, and any non-essential items used in the household (including recreational electronics) purchased within the last 2 years for more than \$500. Any one-time gifts, one-time insurance payments, or lump-sum inheritances received during the previous tax year should be reflected as household assets. Household assets are counted as of the date of application.
2. In general, each household member that is at least 18 years old and no longer a student may own one motor vehicle without having the value of such vehicle count towards household assets. Any additional vehicles owned by household members shall generally be considered recreational motor vehicles (unless the applicant demonstrates that the vehicle is a transportation necessity), and the equity in such vehicles shall be counted toward household assets. Further, if the Board of Review determines that the value of any vehicle owned by a household member is significantly higher than is needed to satisfy essential transportation needs, it may count a portion of the equity in such vehicle toward household assets. For purposes of this paragraph, a vehicle titled in the name of a business owned by an applicant or household member shall be treated the same as a vehicle titled in the name of such individual.

Income Guidelines

1. "Household income" includes all of the following items, as received in the previous tax year (2018):
 - a. Wages and salaries before any deductions.
 - b. Payments or in-kind provision of normal expenses (e.g. meals, insurance, clothing, electronic equipment used at least in part for personal use) by a household member's business or employer.
 - c. Net receipts from non-farm self-employment. These receipts are from a person's own business, professional enterprise, or partnership, after deductions for business expenses.
 - d. Net receipts from farm self-employment. These are receipts from a farm that one operates as an owner, renter, or share cropper, after deductions for farm operating expenses.
 - e. Regular payments from Social Security, retirement plans, unemployment compensation, benefits from union funds, workers compensation, veteran payments, and public assistance.
 - f. Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.
 - g. Private pension receipts, government employee pension receipts (including military retirement pay), and regular insurance or annuity payments, and disbursements from other retirement plans.
 - h. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trust, net gambling or lottery winnings.
2. Household income does *not* include the following:

- a. Food produced for personal consumption.
 - b. Payments or receipts from federal benefit programs such as Medicare, Medicaid, food stamps, and school lunches.
 - c. Income tax refunds.
 - d. Refunds received from the Michigan Homestead Property Tax Credit.
3. Income for the current tax year shall generally be projected based on income as properly reported on federal and state tax returns in the prior year. However, if the Board of Review determines that receipts in the current tax year (2019) are likely to be substantially less or more than in the prior tax year, the Board of Review may, in its discretion, reasonably adjust the applicant's projected household income for purposes of calculating the hardship exemption.

Exemption Eligibility and Calculation:

1. The Board of Review shall determine eligibility and calculate the amount of hardship exemptions based on the policy and guidelines provided herein, unless it determines that there is a substantial and compelling reason for deviation. The Board of Review may deviate by granting an exemption based on substantial and compelling reasons such as extraordinary medical expenses. It may also deviate by denying an exemption for substantial and compelling reasons such as in situations where: (i) the applicant is prioritizing non-essential expenses over property taxes; (ii) without valid explanation, the applicant's reported income is repeatedly lower than apparent expenses; or (iii) the applicant has received repeated exemptions for a home with higher value than the applicant's income supports. The reasons for any deviation shall be communicated to the applicant in writing.
2. Hardship exemptions shall be calculated based on the "available funds" for the applicant's household, which is defined to include the projected household income for the current tax year plus any household assets in excess of \$3,000. The following eligibility table is used in the calculation:

Federal Poverty Standards		Sylvan Hardship Standards *	
Size of household	Available Funds	Size of household	Available Funds
1	\$12,140	1	\$22,459
2	\$16,460	2	\$30,451
3	\$20,780	3	\$38,443
4	\$25,100	4	\$46,435
5	\$29,420	5	\$54,427
Each additional	+ \$4,320	Each additional	+ \$7,992

* Sylvan Hardship Standards taken from the Federal Income Eligibility Guidelines for reduced Price Meals

3. If the available funds for the applicant's household fall below the federal poverty standards, the applicant shall be given a full exemption (\$0 in property taxes).
4. If the available funds for the applicant's household fall above the federal poverty standards but below the Sylvan Township hardship standards, the amount of property taxes owed by the applicant shall be calculated by multiplying the household's available funds by 3.2%.
5. The denial of a hardship exemption application may be appealed to the Michigan Tax Tribunal.
6. Guidelines adopted by the Sylvan Township Board on February 5, 2019.

TAX YEAR: 2019

PARCEL I.D. _____

APPEAL NO _____

**APPLICATION FOR ONE-YEAR HARDSHIP REDUCTION
(CONFIDENTIAL INFORMATION)
SYLVAN TOWNSHIP ASSESSOR'S OFFICE**

APPLICANT'S NAME _____ AGE _____

NAME OF SPOUSE (if applicable) _____ AGE _____

PROPERTY ADDRESS FOR WHICH RELIEF IS SOUGHT _____

EMAIL ADDRESS _____

TELEPHONE NUMBER (Home) _____ (Cell) _____

DO YOU CLAIM THIS PROPERTY AS YOUR HOMESTEAD (Primary Residence)? () YES () NO

EMPLOYED

EMPLOYER

ARE YOU DISABLED?

SELF	() YES () NO	() FULL TIME () PART TIME	
SPOUSE	() YES () NO	() FULL TIME () PART TIME	

SELF	() YES () NO
SPOUSE	() YES () NO

NATURE OF DISABILITY _____

(PLEASE PROVIDE DOCUMENTATION OF DISABILITY.)

Did you have any **MAJOR AND UNUSUAL OUT-OF-POCKET** expenses in the last year? If yes, please list them below and provide verification.

TYPE OF EXPENSE	AMOUNT PER YEAR

LIST HOUSEHOLD MEMBERS OTHER THAN YOU OR YOUR SPOUSE.

	1	2	3	4	5
NAME					
AGE					
RELATIONSHIP					
OCCUPATION/SCHOOL					
CLAIMED AS DEPENDENT	() YES () NO	() YES () NO	() YES () NO	() YES () NO	() YES () NO

PROPERTY INFORMATION

Purchase Date: _____ Do you own this property free and clear? () YES () NO
If not, mortgage/equity payment = \$ _____ Total amt. of outstanding mortgage/equity loans = \$ _____
Are the taxes included in payment? () YES () NO
Are property taxes current? () YES () NO If not, amount past due: \$ _____
Have any improvements, changes, or additions been made to the property in the last two (2) years? () YES () NO
If yes, please explain: _____

Have you taken a Reverse Mortgage on this property? () YES () NO
If yes, please detail: _____

GENERAL INFORMATION

Have you requested (or are currently receiving) any government assistance? () YES () NO
If yes, please detail the monetary assistance received: _____

If you have college aged children, are you contributing to their college costs? () YES () NO
If yes, please detail the monetary assistance and provide verification: _____

Are you or your spouse unemployed? () YES () NO
If yes, please indicate when first placed on unemployment: _____
How long is the unemployment assistance expected to remain? _____

ASSET INFORMATION

Do you have an ownership interest in any other real estate (including ownership via partnerships, LLC, corporation *etc.*?) in Michigan or in another state? () YES () NO
If yes, please detail below (attach additional sheet if needed)

<u>LOCATION</u>	<u>VALUE</u>	<u>TYPE OF USE</u>	<u>PURCHASE DATE</u>	<u>PURCHASE PRICE</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Please list all household assets aside from real estate and vehicles:

- Cash/Checking Account \$ _____
- Savings Accounts/CDs or Money Markets \$ _____
- Stocks/Bonds/Treasury bills, *etc.* \$ _____
- IRA/Deferred Compensation/Cash Value of Insurance \$ _____
- Other Assets Listed in the Township’s Guidelines \$ _____

Have you withdrawn or transferred money from any of the above accounts during the previous or current year to cover expenses? () YES () NO If yes, please detail: _____

Household Vehicles: Cars, Trucks, Motorcycles, Boats, Trailers, *etc.*

	1	2	3	4	5
MAKE/MODEL					
YEAR					
MONTHLY PAYMENT					
ESTIMATED VALUE					
BALANCE OWED					
PRIMARY USER(S)					

ESTIMATED HOUSEHOLD INCOME OF ALL HOUSEHOLD MEMBERS FOR 2019 TAX YEAR

SOURCE	AMOUNT
Wages, Salaries, Tips, Sick, Strike, and Sub-Pay, <i>etc.</i>	
Net Receipts of Self-Employment	
Social Security and Other Public Assistance	
Unemployment Benefits	
Retirement Pension or Annuity Benefits (Includes Military Retirement Pay)	
Interest and/or Dividends (Includes Non-Taxable Interest)	
Disability Payments (Worker Comp., Veterans Disability, Pension Benefits)	
Alimony and/or Child Support	
Military Family Allotments or Other Support from an Absent Family Member	
Rent/Business or Royalty Income	
Periodic Receipts from Estates or Trusts	
Net Royalties and Net Gambling or Lottery Winnings	
Other Receipts Likely to be Considered as Income	
YOUR TOTAL INCOME	
ADD INCOME FOR ALL MEMBERS OF HOUSEHOLD (not claimed as dependents) AS LISTED ON THE FIRST PAGE OF APPLICATION	
TOTAL (UNADJUSTED) PROJECTED HOUSEHOLD INCOME FOR 2019:	

HOUSEHOLD EXPENSES

NOTE: VERIFICATION OF EXPENSES MAY BE REQUIRED.

MONTHLY

House Payment (Principal and interest):		
Life Insurance:		
Health Insurance:		
Home Insurance:		
Auto Insurance:		
Home Heating/Cooling/Electricity:		
Telephone/land line/cellular:		
Cable/Internet:		
Child Care:		
Lawn care /snow removal/trash 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 EXPENSES:

IF EXPENSES (WITHOUT PROPERTY TAXES) EXCEED INCOME, PLEASE EXPLAIN HOW OTHER BILLS ARE BEING PAID AND WHAT ACTIONS ARE BEING TAKEN TO IMPROVE YOUR FINANCIAL STATUS:

I/We declare under the penalties of perjury, that all of the information submitted in this application for hardship exemption is true.

I/We have fully declared the actual/estimated household income available to the household from all sources.

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.

Applicant Signature _____

Spouse Signature _____

Date _____

FOR OFFICE USE ONLY

Current Year Assessed Value \$ _____ Taxable Value \$ _____

Federal Poverty Standards: Yes / No Local Hardship Standards: Yes / No

Annual Income _____ x .032 = Non Refundable Taxes

Non-Refundable Taxes / 2018 PRE Tax Rate = 2019 AV/TV (rounded)
_____ / .0395762 = _____ = _____

BOR Recommendation:

Signatures of the Board of Review: Assessor: _____

_____ Supervisor: _____

Note that decisions of the March Board of Review may be appealed to the Michigan Tax Tribunal by July 31 of the current year. Appeals of the July or December Board of Review denials may be made to the Michigan Tax Tribunal within 35 days of the denial. A copy of the Board of Review decision must be included with the filing.

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Ph.: 517-373-3003 Email: taxtrib@michigan.gov