

2021 POVERTY EXEMPTION POLICY & GUIDELINES

The following ***policy and guidelines***, adopted by the City Commission, shall be followed by the City of Boyne City Board of Review when considering ***poverty exemptions*** according to P.A. 390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL).

Application Guidelines: To be eligible for a Poverty Exemption in Boyne City;

1. The primary applicant must own and occupy the property as their principle residence and satisfy all requirements of P.A. 390 of 1994 (Principle Residential Exemptions) and State Tax Commission bulletin No. 5 of 1995.
2. All owners must include signed Federal and State Income Tax Returns for the most recent filing period, including supporting schedules, if the applicant is required to file an income tax return. If the applicant did not file Federal or State Tax Return, Michigan Department of Treasury Form 4988 must be filed.
3. Income and asset information is required for all owners and occupants of the property.

Potential income and asset sources are (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

4. Applicants should meet the Income Test and Asset Test to be eligible to apply to the Board of Review for a partial exemption of the property tax on their principle residence. Applications will be reviewed by the Board of Review in deciding to grant or deny an exemption and if an exemption is granted, what percentage of the taxable value will be exempted.

Income Test

1. Total Annual Household Income shall not exceed the following amount applicable to the number of persons living in the household:

Number of Persons	Income Level for 2019
1	\$12,760
2	\$17,240
3	\$21,720
4	\$26,200
5	\$30,680
6	\$35,160
7	\$39,640
8	\$44,120
For each additional person	\$4,480

2. Total Annual Household Income shall be based on Federal Poverty Income Guidelines and will be adjusted annually to agree to the federally established amount.

Asset Test

1. Things of value that a person can own and are exempt from consideration in determining eligibility for a poverty exemption.
 - a. Applicant's principle residence
 - b. One motor vehicle per working adult
 - c. Essential household goods
 - d. Personal assets of any nature with a total value up to \$10,000.
2. Things of value that the Board of Review can consider in determining what percent exemption to grant:
 - a. Real estate other than the principle residence
 - b. Personal property
 - c. Motor vehicles in excess of one per working adult
 - d. Recreational vehicles and equipment
 - e. Certificate of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, and retirement funds, etc.
3. The Board of Review shall consider the value of the assets, or indebtedness otherwise owned by the applicant. Assets (except those exempt from consideration as listed above), shall not exceed \$10,000.

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.