

**TOWNSHIP OF MACOMB
MACOMB COUNTY, MICHIGAN**

**RESOLUTION TO ADOPT THE POVERTY EXEMPTION POLICY,
GUIDELINES AND APPLICATION**

At the regular meeting of the Township Board of Macomb Township, Macomb County, Michigan, held at the Township Hall at 54111 Broughton, Macomb Township, MI 48042, on the 17th day of December 2025, commencing at 6:30 p.m.

PRESENT: Viviano, Drolet, Cusumano, Lucido, Papa, Oliver
ABSENT: Pozzi

The following Resolution was offered by Drolet and seconded by Oliver:

Whereas, Section 211.7u of Act No. 206 of the Public Acts of 1893, as amended, provides that the homestead of a person who, in the judgment of the 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 the General Property Tax Act; and,

Whereas, said section provides certain eligibility requirements for exemption under said section; and,

Whereas, said section requires that an applicant meet the prior tax year federal poverty income standards as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body of the local assessing unit; provided, however, such alternative guidelines do not provide income eligibility requirements less than the federal guidelines; and,

Whereas, the Board of Trustees of the Township of Macomb is the governing body of the local assessing unit; and,

NOW, THEREFORE, BE IT RESOLVED THAT the following standards be adopted in relation to applications for Poverty Exemptions:

In order to qualify for the Poverty Exemption, the claimant MUST meet all of the following requirements. It may be possible that a claimant meets the income standard for the Poverty Exemption but does not meet the asset standard or other standards set forth in these guidelines. In this instance the claimant would NOT qualify for the exemption even though the income standard was met.

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 Township for the assessment year. If a person meets all eligibility requirements in statute, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value OR a partial exemption equal to a 75%, 50% or 25% reduction in taxable value OR any other percentage of reduction in taxable value approved by the State Tax Commission.

Poverty exemptions shall apply only to the applicant's qualified homestead and the property must be classified RESIDENTIAL for property tax purposes. Under no circumstances shall a poverty exemption be granted or apply to the property of a business, partnership or corporation.

To be eligible for exemption by reason of poverty, a person shall do all of the following on an annual basis:

Applicants MUST be an owner of and occupy as a homestead (as defined by MCL 211.7dd) the property for which an exemption is requested. Vacant, unplatted, contiguous land shall not qualify as homestead property for purposes of these guidelines.

1. Applicants MUST complete in its entirety the *Application and Affirmation for MCL 211.7u Poverty Exemption* with the Board of Review every qualifying year on forms provided by the Assessing Department.
2. Applications are to be filed after January 1st and before the day prior to the last day of the March, July or December Board of Review meetings for that assessment year. Incomplete applications and/or applications of taxpayers not meeting the eligibility requirements will be returned to the Applicant and will not be considered by the Board of Review.
3. Qualified Applicants must appear in person before the Board of Review in order to be considered for relief due to financial hardship. Applicants meeting all eligibility requirements will be scheduled for an appointment to appear before the Board of Review.
4. Applicants MUST provide copies of the following forms, including all supporting documents and schedules, for **ALL PERSONS RESIDING IN THE HOUSEHOLD**, filed in the immediately preceding year or in the current year:
 - Form 5737 *Application and Affirmation for MCL 277.7u Poverty Exemption*
 - Federal Income Tax Returns (1040 or 1040A)
 - State of Michigan Income Tax Returns (MI-1040)
 - If applicant did not file a Federal or State Income Tax return, they MUST complete and file an Income Tax Exemption Affidavit (Treasury Form 4988) for all persons residing in the residence who were not required to file in the current year or in the immediately preceding year, **and** who did not meet the qualifications for receiving an Earned Income Tax Credit.
 - Michigan Homestead Property Tax Credit Claim (MI-1040CR)
 - W-2 Forms for all members of the household
 - Social Security Benefit Statement (form SSA-1099) for **ALL PERSONS RESIDING IN THE HOUSEHOLD**, who receive Social Security benefits.
 - Complete bank and/or credit union statements, for the current and immediately preceding six months, of **ALL** checking and savings accounts.
 - Proof of all sources of income if not included on the W-2 Forms, including any check stubs or receipts from contributions by relatives or other persons living in the household, or from State or Federal Government checks.
 - Current year mortgage verification showing loan balance plus principal and interest payment amounts.

- Current full credit reports for all persons residing in the household. (Credit reports are available at no cost to the applicant once per year from all 3 of the following credit reporting bureaus: Equifax, Experian and TransUnion. Free credit reports are available at myfreecreditreport.com)
- Statements for all household expenses and debt payments for the immediately preceding **six months**.
- A valid Michigan driver's license or other legal form of photo-identification, which indicates residing property address for all persons in the household.
- Copy of State of Michigan Registration for all vehicles.
- Copy of a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.

The Township requires all Applicants to provide copies of their originally filed tax returns and will not accept summary information reports or reproduced tax returns. Federal and State tax returns must be signed unless "e-filed" documents are included. The Township retains the right to request a copy of any household occupant's federal income tax returns from the Internal Revenue Service or Michigan Income Tax Returns from the Department of Treasury pursuant to MCL 205.28, and all vehicle or titled asset registration information from the Secretary of State.

Income Guidelines Used in the Determination of Poverty Exemptions

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemptions and those income levels shall not be set lower by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. Income levels may be set higher by a city or township. Applicants **MUST** meet poverty income standards determined by the Township of Macomb. These income standards will be based upon the current year Federal Poverty guidelines multiplied by a rate of 135% (1.35). The following guidelines for establishing poverty exemptions for the 2026 assessments are as follows:

<u>Size of family</u>	<u>Poverty Guidelines</u>
1	\$ 21,127
2	\$ 28,552
3	\$ 35,977
4	\$ 43,402
5	\$ 50,827
6	\$ 58,252
7	\$ 65,677
8	\$ 73,102

For each additional person add \$7,425

Income greater than what is stated above, per size of family, will result in a denial of the poverty exemption, even if the applicant meets the asset limit.

The income guidelines must include the specific income for the person claiming the exemption and all persons living in the principal residence.

The Board of Review shall consider income from all sources and from all occupants of the homestead when determining whether an Applicant meets Township poverty income standards. The Board of Review may deny any application if income is not properly identified. Income includes but is not limited to:

- Money, wages, salaries before deductions and regular contributions from persons not living in the residence.
- Net receipts from non-farm and farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business deductions).
- Regular payments for social security, railroad retirement, unemployment and worker's compensation, veteran's payments, public assistance and supplemental security income (SSI)
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, assistantships.
- Dividends, interest and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

The Michigan homestead property tax credit cannot be considered as income for purposes of the poverty exemption. (*Ferrero v Walton Twp, Court of Appeals No. 302221*).

In addition to meeting the income level requirements as noted above, applicants must also meet requirements based on asset levels. Meeting income levels does NOT guarantee the approval of a poverty exemption. Income and assets are reviewed by the Board of Review in the decision-making process.

Asset Guidelines Used in the Determination of Poverty Exemptions

As required by PA 390 of 1994, all guidelines for poverty exemptions are established by the governing body of the local assessing unit **SHALL** also include an asset level test. The purpose of an asset test is to determine the resources available (cash, fixed assets and property that could be converted into cash) that could be used to pay property taxes in the year the poverty exemption is filed.

The value of the principal residence cannot be included in the asset test (*Robert Taylor v Sherman Twp, MTT Docket No. 236230*).

The following asset test shall apply to all applications for poverty exemption.

- The applicant shall not have "liquid" (cash) assets in excess of **\$7,500**.
- The applicant shall not have a total value of all assets (cash and other non-cash assets) in excess of **\$20,000**.

All asset information, as requested in the Application for Poverty Exemption must be completed in total. 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 properly identified.

Assets greater than what is stated above will result in a denial of the poverty exemption claim, even if the applicant meets the income limit.

Cash and other assets may include but are not limited to:

- Bank accounts
- Stocks and bonds, pensions, IRA's and other investment accounts
- Withdrawals of bank deposits and borrowed money
- Life Insurance Policies
- Gifts, loans, inheritances and one-time insurance payments
- Money received from the sale of property such as stocks, bonds, a house or car unless a person is in the specific business of selling such property.
- A second home
- Excess or vacant land
- Rental property
- Buildings other than the residence
- Equipment or other personal property of value
- Jewelry, antiques, or artwork
- Recreational vehicles - shall not exceed the amount of the current annual property tax obligation. Recreational vehicles include snowmobiles, boats, jet skis, camping trailers, travel trailers, motorcycles, motor homes, off-road vehicles, or anything else which may be considered a recreational vehicle.
- Extraordinary automobiles
- Food or housing received in lieu of wages, and the value of food and fuel produced and consumed on farms.
- Federal non-cash benefits programs such as Medicare, Medicaid, good stamps and school lunches.

Reduction Calculation

Public Act 253 of 2020 and Public Act 191 of 2023 amended MCL 211.7u relating to poverty exemptions. These Acts list the specific percentage reductions in taxable value that may be used by the Board of Review in granting a poverty exemption.

MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the board of review shall grant the poverty exemption, in whole or in part, as follows: 1) a full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or 2) a partial exemption equal to a 75% reduction in taxable value for the year in which the exemption is granted; or 3) a partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or 4) a partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted. No other method of calculating taxable value may be utilized, except for those percentage reductions specifically authorized in statute, or any other percentage reduction approved by the State Tax Commission.

The following income ranges and corresponding taxable value reductions may be granted for 2026 poverty exemption applications.

# of occupants	Income limit	100% Taxable Value exemption	75% Taxable Value exemption	50% Taxable Value exemption	25% Taxable Value exemption
1	\$21,127	\$0 to \$5,281	\$ 5,281 to \$ 10,563	\$ 10,563 to \$15,845	\$ 15,845 to \$ 21,127
2	\$28,552	\$0 to \$ 7,128	\$ 7,138 to \$ 14,276	\$ 14,276 to \$ 21,276	\$ 21,414 to \$ 28,552
3	\$35,977	\$0 to \$ 8,994	\$ 8,994 to \$ 17,988	\$ 17,988 to \$ 26,982	\$ 26,982 to \$ 35,977
4	\$43,402	\$0 to \$ 10,850	\$ 10,850 to \$ 21,701	\$ 21,701 to \$ 32,551	\$ 32,551 to \$ 43,402
5	\$50,827	\$0 to \$ 12,706	\$ 12,706 to \$ 25,413	\$ 25,413 to \$ 38,120	\$ 38,120 to \$ 50,827
6	\$58,252	\$0 to \$ 14,563	\$ 14,563 to \$ 29,126	\$ 29,126 to \$ 43,689	\$ 43,689 to \$ 58,252
7	\$65,677	\$0 to \$ 16,419	\$ 16,419 to \$ 32,838	\$ 32,838 to \$ 47,257	\$ 49,257 to \$ 65,677
8	\$73,102	\$0 to \$ 18,275	\$ 18,275 to \$ 36,551	\$ 36,551 to \$ 54,826	\$ 54,826 to \$ 73,102

For each additional person: \$7,425

- Income greater than what is stated above, per household size, will result in a denial of the poverty exemption.
- Meeting the income levels above, but failing the asset portion of the exemption, will result in a denial of the poverty exemption.

It is not the intent of the Township to adopt a policy of an individual being "automatically entitled" to exemption. Poverty Exemptions are to be filed annually and approved or denied by the Board of Review only.

NOW THEREFORE, BE IT RESOLVED that Macomb Township Board of Trustees does hereby adopt the 2026 Poverty Exemption Policy, Guidelines and Application.

Any and all resolutions in conflict herewith are repealed only to the extent necessary to give full force and effect to the foregoing provisions.

This Resolution is deemed severable. Should any provision, clause, word or sentence be deemed unenforceable, the remainder shall remain in full force and effect.

MOTION by Drolet seconded by Oliver to adopt the 2026 Poverty Exemption Policy, Guidelines and Application.

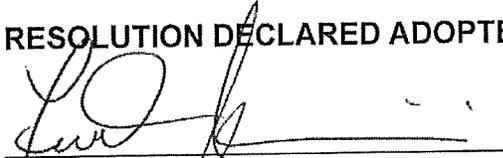
Roll Call:

Ayes: Drolet, Oliver, Cusumano, Lucido, Papa, Viviano

Nays: None

Absent: Pozzi

RESOLUTION DECLARED ADOPTED this 17th day of December, 2025


 FRANK J. VIVIANO Township Supervisor

CERTIFICATION OF CLERK

I, Kristi Pozzi, the duly qualified and acting Clerk of Macomb Township, DO HEREBY CERTIFY that the foregoing is a true and complete copy of certain proceedings taken by the Township Board of said Township at a meeting held on the 17th day of December, 2025, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required under the Open Meetings Act.



Roger Cardamone, Deputy Clerk
Macomb Township