

**MANCHESTER TOWNSHIP
2018 HARDSHIP/POVERTY EXEMPTION
POLICY AND GUIDELINES**

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

Section 211.7u: (1) The homestead of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charge 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 proceeding 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 that \$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 Hardship/Poverty Exemptions, according to amended P.A. 360 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:

- 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) provided 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, 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 Manchester Township.
- 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 statue to communicate the substantial and compelling reasons for the deviation from the guidelines in writing to the claimant.

MANCHESTER TOWNSHIP 2018 GUIDELINES:

A copy of the Registered Deed for primary residence identifying all owners of the subject property must be submitted with the application.

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

- 1.) Under no circumstances will any poverty exemption be continued to the following year without a complete application submitted for that year.
- 2.) All owners and occupants, 18 years of age and older of the subject property shall complete, and supply the Assessing Department, the poverty application form accompanied by the required **copies of current Income Tax Returns both Federal and State including attachments and the MI 1040 CR showing the Homestead Property Tax 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, if employed..

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, and 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, and State and/or Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches, and/or bridge card.

ASSETS GUIDELINES Used in the Determination of Hardship/Poverty Exemptions for 2018

Applicants must, in accordance with PA 390 of 1994, meet the “Asset Guidelines” as adopted by the Manchester Township Board of Trustees. 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 assets information, as requested in the Application for the Hardship/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 limited to:

Bank accounts, stocks and bonds, IRA’s, Roth’s, 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. Savings and other liquid assets not listed above are limited to \$1,000.

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. Total household non-liquid assets other than the principal residence cannot exceed a cash value of \$25,000.

- 3.) All applications need to be received at the Assessing Department five (5) 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 tax. 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.
- 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 any unnecessary purchases and/or unnecessary property upgrades that could have been used for property taxes.
- 8.) **Copies of the last three (3) months bank statements** for all persons residing in the household must be included with the applications. Poverty exemptions are limited by \$1,000 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 three (3) 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.) As approved by the Township Board of Trustees, resolution 17-03, to be eligible for the exemption, persons must meet the above asset guidelines, whereas total household non-liquid assets other than the principal residence cannot exceed a cash value of \$25,000, savings and other liquid assets not listed above are limited to \$1,000.

INCOME GUIDELINES

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 Manchester Township Board of Trustees established the following income guidelines in accordance with MCL 211.7u and shall be adhered to unless accompanied by special circumstances. The Board of Review may, upon their discretion, provide temporary relief or grant an annual reduction of the tax liability for a household that exceeds the federal guidelines. In general, these guidelines shall assist the Board of Review in their decision-making.

FEDERAL POVERTY STANDARDS

Size of family/ household residents	2017 Maximum Household Income
1	\$12,060
2	\$16,240
3	\$20,420
4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320
add'n persons	\$4,180

MANCHESTER TOWNSHIP GUIDELINES

Size of family/ household residents	2017 Maximum Household Income
1	\$22,311
2	\$30,044
3	\$37,777
4	\$45,510
5	\$53,243
6	\$60,976
7	\$68,709
8	\$76,442
add'n persons	\$7,733

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 Manchester Township takes this task seriously and attempts to provide relief to all deserving residents with the township. 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 first meeting of the Township Board each year and shall be filed with the Manchester Township Board of Review five (5) days prior to the July or December Board of Review to 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 Manchester Township Assessing Office
P O Box 668
Manchester MI 48158
Phone: (734)428-7090
Fax: (734)428-0935
E-mail: mtwp_assessor@sbcglobal.net

Decisions of the March Board of Review may be appealed in writing to the Michigan Tax Tribunal by July 31 of the current year. July or December Board of Review denials may be appealed to the Michigan Tax Tribunal with 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

**MANCHESTER TOWNSHIP
APPLICATION AND INSTRUCTIONS FOR 2018
HARDSHIP/POVERTY REDUCTION**

The 2018 Application for One Year Poverty Reduction has been modified to be consistent with the requirements of the State of Michigan regarding poverty exemptions. To be considered for a poverty reduction, the following information **MUST** be provided.

1. **COMPLETE ALL SECTIONS OF THIS APPLICATION IN FULL; DO NOT LEAVE ANY BLANK LINES/AREAS. WRITE IN N/A IF THE AREA DOES NOT APPLY TO YOU.**
Applications may be considered ineligible if they are not completed in full.
2. Submit a **completed and signed copy** of the following:

2017 Michigan Homestead Property Tax Credit Claim (MI 1040 CR)

2017 Federal Income Tax Return (1040) or an affidavit (Form 4988), if you are not required to file federal income tax.

2017 Federal Income Tax Return (1040) or an affidavit (Form 4988), if any other occupant of your home that is not required to file federal income tax.

All income tax returns must be signed. Applications will be returned if signatures are missing.
3. If an occupant of your home is not employed but has income from another source, you must show the income in “Annual Income” on page 1 of your application. It must also be on page 3 under the “2017 Household Income” section.
4. If you completed the section on page one of the application indicating you have major or unusual out-of-pocket expenses, you must provide copies of documents verifying these expenses. **This does not include documentation of everyday living expenses.**
5. The application must be legible. If you need or want to provide additional information, please attach a separate sheet.
6. Please do not submit originals of supporting documentation. We are required to keep all documentation for our records in the even of audit by the Michigan Department of Treasury.
7. If the application is incomplete or you do not include copies of the required financial documents, ie: Federal Income Tax Forms; you will be ineligible for a hardship reduction.
8. It is recommended that the applicant attend the Board of Review meeting or be available by telephone the day of the Board of Review.

YEAR 2018

PARCEL I.D. _____

APPEAL NO. _____

APPLICATION FOR ONE YEAR HARDSHIP REDUCTION CONFIDENTIAL INFORMATION
MANCHESTER TOWNSHIP ASSESSOR'S OFFICE

PLEASE STATE WHAT HAS CHANGED OR THE REASON FOR CURRENT FINANCIAL SITUATION

APPLICANT'S NAME _____ AGE _____

NAME OF SPOUSE (if applicable) _____ AGE _____

PROPERTY ADDRESS FOR WHICH RELIEF IS BEING SOUGHT _____

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

TELEPHONE NUMBER _____

EMPLOYMENT STATE AND NAME OF EMPLOYER:

ARE YOU DISABLED?

	EMPLOYED		EMPLOYER
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.

Do you have any MAJOR OR UNUSUAL OUT-OF-POCKET expenses? If yes, please list them below and provide verification.

TYPE OF EXPENSE	AMOUNT PER YEAR

LIST ALL PERSONS LIVING IN THIS HOME OTHER THAN YOU OR YOUR SPOUSE:

	1	2	3	4
Name				
Age				
Relationship				
Occupation				
Annual Income				
Claimed As Dependent	() Yes () No	() Yes () No	() Yes () No	() Yes () No

Attach additional sheet, if needed.

PROPERTY INFORMATION

Purchase Date: _____ Purchase Price: _____ (If home was purchased in the last three (3) years, attach documents used to qualify for the mortgage and explain why funds were not set aside for taxes.)

Do you own this property free and clear? () Yes () No

If not, amount of monthly payment: _____ Have any improvements, changes, or additions been made to the property in the last two (2) years? () Yes () No
If yes, Describe Improvements: _____

Are the taxes included in payment? () Yes () No _____

Are property taxes current? () Yes () No _____
If not, amount past due _____

Have you taken a Reverse Mortgage on this property ? () Yes () No
If yes, please detail _____

GENERAL INFORMATION

Have you requested (or are currently receiving) other 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 provided verification. _____

Are you or members of your household recently unemployed? () Yes () No
If yes, please indicate when first placed on unemployment. _____
How long is the unemployment assistance expected to remain? _____

ASSET INFORMATION (ASSET TEST)

Do you have an ownership interest in any other real estate (including ownership via partnerships, corporation, etc.) in Michigan or anywhere else? () Yes () No If yes, please list (attach additional sheets if needed).

<u>Location</u>	<u>Value</u>	<u>Type of Use</u>	<u>Purchase Date</u>	<u>Purchase Price</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- What are your assets in addition to real estate?
- Cash \$ _____
 - Savings Accounts/Certificates & Money Markets \$ _____
 - Checking Accounts \$ _____
 - Stocks/Bonds/Treasury Bills \$ _____
 - Insurance – Cash Value \$ _____
 - Investments \$ _____
 - IRA, Keogh Annuities, Deferred Compensation \$ _____

Personal Property held as an investment
(i.e., gems, jewelry, coin collections, antique cars, etc.) \$ _____

Other \$ _____

Vehicles: Cars, Trucks, Boats, Trailers, etc.
Attach additional sheet, if needed

Make	#1	#2	#3
Model			
Year			
Value			
Balanced Owed			

INCOME INFORMATION

2018 HOUSEHOLD INCOME (based on 2017 information)

SOURCE	AMOUNT PER YEAR
Wages, Salaries, Tips, Sick, Strike, and sub-pay, etc.	\$
Social Security/SSI or Railroad Retirement	\$
Retirement Pension or Annuity Benefits (Includes Military Retirement Pay)	\$
Interest and/or Dividends (includes non-taxable interest)	\$
Rent/Business or Royalty Income	\$
Disability Payments (Worker Comp, Veterans Disability, Pension Benefits)	\$
ADC, SFA, SDA, RAP/REP (Attach a copy of DSS Annual Statement)	\$
Alimony, Child Support	\$
Capital gains less capital losses:	\$
Unemployment Benefits	\$
Other Nontaxable Income (Military Family Allotments, College Scholarships, Grants, Fellowships, Etc.)	\$
Less Amount YOU PAY for Medical Insurance	\$
YOUR TOTAL 2017 INCOME	
ADD TOTAL 2017 INCOME FOR ALL MEMBERS OF HOUSEHOLD (please attach an income and status sheet for each addition occupant)	\$
TOTAL PROJECTED HOUSEHOLD INCOME FOR 2018	\$

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) as listed on page 4:		
Gasoline:		
Home Heating/Cooling/Electricity:		
Telephone/land line/cellular:		
Water/sewer:		
Cable/Internet:		
Child Care:		
Food (not covered by food stamps/bridge card):		
All Other Expenses not listed above:		

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

Credit Card Company Name Financial Institution		Credit Card Company Name Financial Institution	
Current balance		Current balance	
Monthly Payment		Monthly Payment	

(If more space is needed attach additional page – verification of outstanding debts may be required.)

MEDICAL/DENTAL AND/OR OTHER UNUSUAL EXPENSES (Included expenses for all household members:

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 ADDITIONAL MEMBERS OF HOUSEHOLD
OTHER THAN APPLICANT**

(An additional form must be submitted for each additional household member over 18 years old)

Name: _____ Date of Birth: _____

Employed:

Full time: () Yes or () No

Occupation: _____

Employer: _____

Income per month: _____

() Gross or () Net

Disabled:

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 65);

REPORT 2017 INCOME FROM ALL SOURCES:

MONTHLY

YEARLY

	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 Non-taxable Income:		
2017 TOTAL INCOME (enter on page 4)		

REMEMBER TO ENTER total income on page 4 of application, under the "2018 Estimated Household Income" section, in TOTAL 2017 INCOME FOR ALL MEMBERS OF HOUSEHOLD.

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

**MANCHESTER TOWNSHIP
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 Manchester Township Assessing Staff to physically inspect my/or 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 SIGNATURE: _____ DATE: _____

OTHER OWNERS SIGNATURE: _____ DATE: _____

**MANCHESTER TOWNSHIP
WAIVER OF CONFIDENTIALITY
(2018 application)**

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 Manchester Township Assessor and/or her designated agent and by the members of the Manchester Township:

- Federal Income Tax Return
- Michigan Income Tax Return
- 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 the duly convened public meeting of the Manchester Township 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: _____

SPOUSE SIGNATURE: _____ DATE: _____

Poverty Exemption
CHECKLIST

Below is a checklist of items need for the local
Board of Review to make an accurate decision about your
application for poverty exemption.

Note: Provide proofs for yourself, spouse, and all OTHERS that are living in the home.

- Complete application for Poverty Exemption
 - Complete Income & Status Sheet for each owner/occupant in the home 18 years or older (attached to application).
 - Complete State & Federal Income Tax Returns for each owner/occupant in the home 18 years or older.
 - Copy of Homestead Tax Credit
 - Copy of current pay stubs for all persons residing in the home, if employed.
 - Most recent 3 months of Bank Statements for 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, pension-1099 statements and all other income sources.
 - Copy of Drivers License (front & back).
 - Copy of Deed to the home showing ownership.
 - If applicable, a written explanation of why any person(s) in the home 18 or over are not contributing to the income and expenses of the property.
 - If applicable, a written explanation of why ones expenses exceed their income, excluding property taxes.
 - If applicable, most recent home mortgage, second mortgage, equity loan statements.
 - Unusual & excessive medical bills.
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