

Federal Poverty Income Standards For 2024 Assessments

The following are the federal poverty income standards as of December 31, 2023 for use in setting poverty exemption guidelines for 2024 assessments. Please see STC Bulletin No. 6 of 2017 for additional information regarding the use of these standards.

Size of Family Unit	Poverty Guidelines
1	\$ 14,580
2	\$ 19,720
3	\$ 24,860
4	\$ 30,000
5	\$ 35,140
6	\$ 40,280
7	\$ 45,420
8	\$ 50,560
For each additional person, add	\$ 5,140

IMPORTANT NOTE PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of local assessing unit **SHALL** also include an asset level test. An asset level 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. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available.

NOTE: MCL 211.7u allows an **affidavit** (Treasury form 4988) **to be filed for all persons residing the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing the exemption.**

A person who files a claim to the Board to Review for a poverty exemption may also appeal the assessment of the property to the Board of Review in the same year.

**Benton Charter Township
Poverty Exemption Policy
Under 211.7u M.C.L.**

This is the policy for property owners to receive consideration by the Benton Charter Township of Review during its meeting. The policy is as follows:

DEFINITIONS

Homeowner's Principal Residence Exemptions are the only properties considered.

A Homeowner's Principal Residence Exemption means that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and is owned and occupied as a principal residence by an owner of the dwelling or unit. Homeowner's Principal Residence Exemption also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied as a principal residence by the owner. Contiguity is not broken by a road or a right-of-way. Homeowner's Principal Residence Exemption also includes any portion of principal residence of an owner that is rented or leased to another person as a residence as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in that principal residence. Homeowner's Principal Residence Exemption also includes a life care facility registered under the living care disclosure act, Act No.440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homeowner's Principal Residence Exemption also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

"Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 2 of the farmland and open space preservation act, Act No. 116 of the Public Acts of 1974, being section 554.702 of the Michigan Compiled Laws. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a homeowner's principal residence exemption on other property. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose of that is a residence that is not a related building.

PARTIAL POVERTY EXEMPTION

Act 390 of the Public Acts of 1994 authorizes partial poverty exemptions. A partial poverty exemption is an exemption of only a part of the taxable value of the property rather than the entire taxable value.

FILLING FOR THE POVERTY EXEMPTION

In order to be eligible for the poverty exemption, the claimant must do all of the following on an annual basis:

- a) **Be an owner of and occupy, as a homestead, the property for which an exemption is requested.** Homeowner's Primary Residence is defined in part 1.
- b) **File a claim with the supervisor, assessor, or the board of review** after January 1 but before the day prior to the last day of the board of review, **Form 5737 Application for MCL 211.7u Poverty Exemption.**
Note: The filing of this claim constitutes an appearance before the board of review for the purpose of preserving the right to appeal to the Michigan Tax Tribunal.
- c) **Provide federal and state income tax returns for all persons residing in the homestead including any property tax credit returns.** These income tax returns may be those filed in the current year or in the immediately preceding year.
- d) **IF YOU ARE NOT REQUIRED to file a State or Federal income tax,** MCL 211.7u allows an affidavit (Treasury Form 4988) to be **filed for all persons residing in the residence who were NOT required to file federal or state income tax returns in the current year or in the immediately preceding year. This includes the owner of the property who is filing for the exemption.**
- e) Complete and file with the supervisor, assessor, or board of review after January 1 but before the day prior to the last day of the board of review, **Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty.**
- f) Produce a **valid driver's license or other form of identification.**
- g) Produce a **deed, land contract, or other evidence of ownership** of the property for which an exemption is being requested.
- h) **Meet the federal poverty income standards** as defined and determined annually by the United States Office of Management and Budget under the heading "Federal Poverty Income Standard's".
- i) **Meet or be below the following asset level** set by Benton Charter Township:

The applicant shall not have or own:

- a) Cash or savings above \$ 2,000.00.
- b) Cash surrender value of life insurance or annuity policies owned by the applicant above \$ 1,500.00
- c) Other real property owned by applicant.

- d) Stocks, bonds, and other securities.
- e) Rare and collectible items (not household goods).
- f) Motor Vehicle(s) worth more than \$ 15,000.00 collectively.
- g) Non-income producing farm animals or livestock valued at more than \$ 1,000.00

A person may apply for a poverty exemption at the July or December Board of Review. A person may only appeal the exemption decision to the Michigan Tax Tribunal if the application was submitted at the July or December Board of Review.

FEDERAL POVERTY INCOME STANDARDS

The following are the federal poverty income standards, which the United State Office of Management and Budget recommends that federal departments and agencies use. Shall be indexed annually per Federal Income Guidelines.

The standards are actually compiled and published by the Bureau of the Census, which refers to them as "Poverty Thresholds."