



2025 POVERTY EXEMPTION POLICY, GUIDELINES and APPLICATION

Section 211.7u of the Michigan General Property Tax Act provides for a property tax exemption, in whole or part, for the principal residence of persons who, by reason of poverty, are unable to contribute to the public charges.

On January 13, 2025 the Plainwell City Council adopted the following Poverty Exemption Policy, Guidelines, and Application (the “Policy”). The Policy includes an asset and income test as required by Michigan statute along with the State of Michigan required application forms. The Board of Review is required to follow the adopted policy when approving or denying the request for poverty exemption. If a person meets all eligibility requirements, then the Board of Review must grant a full exemption equal to a 100% reduction in taxable value or a partial exemption equal to a 50% or 25% reduction in taxable value.

A taxpayer who files for a poverty exemption at the March Board of Review is not prohibited from also filing a valuation appeal on the same property in the same year at the March Board of Review. Alternatively, a taxpayer may file a poverty exemption with the July or December Boards of Review. A taxpayer may appeal a poverty exemption denial by the Board of Review to the Michigan Tax Tribunal.

To claim a poverty exemption, the application and all supporting documentation as outlined in this Policy must be submitted between January 1, 2025 and December 9, 2025 (the day prior to the December Board of Review meeting held on December 10, 2025). Handicapped or disabled applicants may call the Assessing Department at (269) 685-6821 to make necessary arrangements for assistance.

To be eligible, a person shall do all of the following on an annual basis:

- 1) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
- 2) File an application with the Assessor or Board of Review, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns filed in the immediately preceding year or in the current year.
- 3) File a claim reporting that the combined assets of all persons do not exceed the current asset guidelines. Assets include but are not limited to; real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking

accounts, stocks, bonds, life insurance, retirement funds, etc.

- 4) Produce, if requested, a valid driver's license or other form of identification.
- 5) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
- 7) The application for an exemption shall be filed after January 1, but one day prior to the last meeting of the Board of Review in December. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

Failure to meet any of the above requirements will result in a denial of the poverty exemption.

Income Guidelines

Used in the Determination of Poverty Exemptions for 2025

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. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than \$25,820 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$25,820.

Below are the federal poverty guidelines updated annually in the federal register by the US Department of Health and Human Services which were adopted in 2024; the City of Plainwell will follow these guidelines for establishing poverty exemptions for 2025 assessments:

Size of Family Unit	Poverty Guidelines
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,960
7	\$47,340
8	\$52,720
Each additional person	\$5,380

Income greater than what is stated above, per household size, will result in a denial of the poverty exemption claim, even if the applicant meets the asset limit. Income guidelines shall include the specific income for the person claiming the exemption and all persons living in the principal residence.

The Board of Review may deny any application if income is not properly identified.

Income considered may include 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 expense deductions)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, and supplemental security income (SSI)
- Alimony, child support, military family allotments
- Private and governmental retirement and disability pensions, regular insurance, annuity payments
- College or university scholarships, grants, fellowships, and assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

Asset Guidelines

Used in the Determination of Poverty Exemptions for 2025

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

The asset test does not consider the value of the principal residence, one vehicle, and monies received pursuant to MCL 206.520 (Homestead Property Tax Credit).

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

<u>Number of Persons Residing in the Principle Residence</u>	<u>Maximum Total Assets</u>
1 person	\$25,000
2 persons	\$31,000
3 persons	\$37,500
4 persons	\$43,750
5 persons	\$50,000
6 persons	\$56,250
7 persons	\$62,500
8 persons	\$68,750
9 or more persons	\$75,000

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. The Board of Review may deny any application if any assets are not properly identified.

Cash and other non-cash assets considered may include but are not limited to:

- Bank accounts, stocks and bonds, pensions, IRAs and other investment accounts
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments

- Money received from the sale of property such as stocks, bonds, a house or a car (unless a person is in the specific business of selling such property)
- Second home, rental property, or building/property other than the residence
- Excess or vacant land
- Secondary/extra automobiles or recreational vehicles such as campers, motor-homes, boats, ATVs, snowmobiles, motorcycles
- Jewelry, antiques, or artworks
- Equipment or other personal property of value
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farm

Exemption Guidelines

Used in the Determination of Poverty Exemptions for 2025

Public Act 253 of 2020 requires the Poverty Exemptions be granted in the percentages stated below. The Board of Review shall follow these guidelines in granting or denying a poverty exemption. If the Board of Review determines that a person claiming a poverty exemption qualifies under the eligibility requirements of these guidelines, the Board of Review shall grant the exemption in whole or in part, as follows:

1. A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.
2. A partial exemption equal to one of the following:
 - a) A 50% reduction in taxable value for the tax year in which the exemption is granted.
 - b) A 25% reduction in taxable value for the tax year in which the exemption is granted.

The Board of Review shall not grant an exemption in any other amount under these guidelines unless the City has received approval from the State Tax Commission to grant exemptions in any other percentage reduction, and which shall be applied in a form and manner prescribed by the State Tax Commission.

THE FOLLOWING INCOME FIGURES WILL BE USED TO DETERMINE THE AMOUNT OF EXEMPTION FOR A SINGLE PERSON HOUSEHOLD:

\$15,060 AND UNDER:	100% EXEMPTION
\$15,061 TO \$18,825:	50% EXEMPTION
\$18,826 TO \$22,590:	25% EXEMPTION

HOUSEHOLDS WITH MULTIPLE RESIDENTS WILL BE CALCULATED BY THE BOARD OF REVIEW AND ASSESSOR IN THE SAME MANNER AS ESTABLISHED ABOVE.

REQUIRED ATTACHMENTS TO APPLICATION – CHECK LIST

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- Provide documents for applicant, spouse, and/or all persons that are residing in the home.
- Submit most recent statement/document unless otherwise indicated.
- Please submit copies, not originals. Anything submitted will not be returned.
- If one of the items below does not apply then please write “N/A” (not applicable) to indicate the applicant does not have anything to provide for that item.
- This checklist must be returned with the application forms.

_____ Federal Income Tax Return (for 2024 year, filed in 2025) – fully complete, signed, and the version that was filed with the IRS

- or Form 4988 Poverty Exemption Affidavit if not required to file income tax returns

_____ State Income Tax Return (for 2024 year, filed in 2025) – fully complete, signed, and the version that was filed with the State of Michigan

- or Form 4988 Poverty Exemption Affidavit if not required to file income tax returns

_____ Homestead Property Tax Credit Claim (MI1040-CR) – fully complete, signed, and the version that was filed with the State of Michigan

- This form is required regardless of your requirement to file income tax returns

_____ Bank and/or credit union statements of ALL savings and checking accounts

- 12 consecutive months of most recent statements for **ALL** accounts

_____ W-2 Statements from employer

_____ Net receipts from self-employment

_____ Social Security Statement

_____ Pension – 1099 statement

_____ Unemployment benefits statement

_____ Insurance or annuity payment statement

REQUIRED ATTACHMENTS TO APPLICATION – CHECK LIST

PAGE 2 OF 2

- _____ Alimony payment statement
- _____ Child support payment statement
- _____ ADC/Welfare statement
- _____ IRA or other investment account statement
- _____ Certificates of Deposit statement
- _____ Stocks and bonds statement
- _____ Mortgage statement
- _____ Second mortgage or equity loan statement
- _____ If home was purchased within the last two years, a copy of the loan application and closing statement
- _____ List and current value of other property currently owned by applicant
 - Includes but is not limited to: vacant land, second home, rental property, any building/property other than the principal residence
- _____ List of regular contributions OR gifts/loans from persons not living in the residence in the last 24 months
- _____ List of dividends, interest, and net income from rentals or estates or trusts in the last 24 months
- _____ List of money received from the sale of property such as stocks, bonds, a house, or a car in the last 24 months

below section for department use only

received by:

date:

Applicant Certification

Applicants, please initial each applicable statement:

_____ I/We have received a copy of and understand the 2025 Poverty Exemption Policy and Guidelines.

_____ I/We understand my/our application and all required attached documentation is examined by the Board of Review at an open meeting and may be further discussed by the City of Plainwell staff or designated agent, Board of Review, and Michigan Tax Tribunal and is obtainable by the public as part of the public record.

_____ I/We declare that the statements made herein are complete, true, and correct to the best of my/our knowledge.

_____ I/We also understand that this application will be DENIED if the information contained within is found to be false or incomplete.

Applicant Signature: _____ Date: _____

Spouse Signature: _____ Date: _____

Name of preparer if other than applicant: _____
(please print)

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.			
City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		County	
Name of Local School District			
Parcel Identification Number		Year(s) Exemption Previously Granted by Board of Review	
Homestead Property Address	City	State	ZIP Code
PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)			
<input type="checkbox"/> I own the property in which the exemption is being claimed.			
<input type="checkbox"/> The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.			
<input type="checkbox"/> After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.			
PART 5: CERTIFICATION			
I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.			
Owner or Legal Designee Name (print)		Signature of Owner or Legal Designee	
		Date	
Designee must attach a letter of authority.			
LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)		Tax Year(s) exemption will be posted to tax roll	
CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.			
Assessor Signature		Date Certified by Assessor	

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.					
Petitioner's Name				Daytime Phone Number	
Age of Petitioner	Marital Status		Age of Spouse	Number of Legal Dependents	
Property Address of Principal Residence			City	State	ZIP Code
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit			Amount of Homestead Property Tax Credit		
PART 2: REAL ESTATE INFORMATION					
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.					
Property Parcel Code Number			Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence		Monthly Payment		Length of Time at this Residence	
Property Description					
PART 3: ADDITIONAL PROPERTY INFORMATION					
List information related to any other property owned by you or any member residing in the household.					
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.				Amount of Income Earned from other Property	
1	Property Address		City	State	ZIP Code
	Name of Owner(s)		Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address		City	State	ZIP Code
	Name of Owner(s)		Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

PART 4: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 5: INCOME SOURCES

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION

List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

PART 7: LIFE INSURANCE — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 8: MOTOR VEHICLE INFORMATION

All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 10: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION

The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

Continue and sign on Page 4

NOTICE: Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

☐ The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date

This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing MI 48909

Phone: 517-335-9760
E-mail: taxtrib@michigan.gov