



*Legal Hotline for Michigan Seniors  
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A program of Elder Law of Michigan, Inc*

## **Homestead Poverty Exemption for Property Taxes**

### **The Homestead Poverty Exemption:**

The homestead poverty exemption is a partial or complete discharge, or “forgiveness,” from property taxes for households that meet the requirements listed below. The exemption especially helps poor people who might be at risk for losing their home because of property tax burdens. (Local rules apply, so be sure to check with your local city, village or township office for additional or alternative requirements.)

### **What is a homestead?**

A homestead is the one place where an owner of the property has a fixed, and permanent home. The owner must return and continue to use the property as a homestead after any short absence.

### **For the exemption, you must do the following every year:**

- Own and occupy the homestead property
- File a claim for the exemption with the supervisor or board of review
- Produce a valid form of identification (ex: drivers license)
- Show proof of ownership of the property (ex: deed or land contract)
- Meet asset level tests set by the local governing body of the assessing unit
- Meet the federal poverty income guidelines or meet alternative guidelines adopted by the local governing body of the assessing unit

**Federal Poverty Guidelines for 2006:**

<b>Size of Family Unit</b>	<b>Poverty Guidelines</b>
1	\$9,800
2	\$13,200
3	\$16,600

\* Add \$3,400 for each additional person in the family unit for 2006.

**Federal Poverty guidelines for 2007:**

<b>Size of Family Unit</b>	<b>Poverty Guidelines</b>
1	\$10,210
2	\$ 13,690

3	\$17,170
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\* Add \$3,480 for each additional person in the family unit for 2007.

### **Steps to Apply:**

The first step is to fill out an application. You can get this from the local tax assessor's office. An application must be filled out **every** year you wish to apply for the exemption. It is due after January 1<sup>st</sup> but before the day prior to the last day your local board of review meets. (They generally meet in early March.) Some local senior centers may be able to help you fill out this application. You do not need to have an attorney to fill out the application or attend the board of review meeting with you. When you pick up the application, you may also want to ask for a copy of the local policy and guidelines the assessing unit uses in granting or denying an exemption. This should help you when filling out the application. You can see what the board will specifically be looking at in making their decision.

With the application you must include copies of the federal and state income tax returns (including any property tax credit returns) for all people regularly living in the home. Some types of income you are asked to disclose are wages, business income, farming income, social security, unemployment, alimony, pensions, and dividends. Some applications also ask for the value of any assets which are not needed for day-to-day living. These include snowmobiles, second

automobiles, motorcycles, and second homes. For more details, you can contact your local city assessor.

You may also want to include a separate letter with the application, describing why you are having financial trouble. Some common financial problems for seniors include high medical bills, high heat and utility bills, home repair costs, and being victims of scams. Describe any other hardship you may have which you feel affects your ability to pay your taxes. Be sure to also include your name, address, phone number, and the number of years you have been a resident.

After your application is filed, it will be considered at the board of review meeting. You will be told the date of the meeting when you turn in your application. In some locations, you do not have to go to this meeting in person as long as you fill out the application and turn in the required income tax returns from the previous year along with your homestead property tax credit claim (if you filed one) as proof of your income. However, it is recommended that you attend the board of review meeting to make sure the board has all the information you would like them to know before making their decision.

You may allow another person to present your information to the board for you. Senior center staff or other volunteers may be able to help. Some local boards may require you to write a letter allowing another person to speak on your behalf.

If you or the person you allowed to speak for you decide to attend the board of review meeting, you should fully describe the financial problems you are having, state that you want your property taxes reduced to zero or some other amount you are able to pay, and also state how long you have been a taxpayer in the community. You should also mention any community work you take part in such as volunteer work. Keep your presentation brief and to the point and no more than about five minutes.

From the information the board receives at this meeting, the board will decide whether to grant an exemption for part or all of the property taxes. The board usually will make a final decision at the meeting and also mail a written copy of that decision to you within a few weeks.

### **Local Information:**

We've gathered information from several cities below. If your city is not listed, contact your local city assessor for their deadlines and other filing requirements.

➤ Ann Arbor:

- Filing Deadline: March 2<sup>nd</sup> 2007
  - Must go to assessors office to pick up form and guidelines
- City Assessor: (734) 994-2663

➤ Detroit:

- Filing Deadline: February 12<sup>th</sup> 2007

- City Assessor: (313) 224-3011
- Flint:
  - Filing Deadline: March 5<sup>th</sup> 2007
  - City Assessor: (810) 766-7255
- Grand Rapids:
  - Filing Deadline: March 5<sup>th</sup> 2007
  - City Assessor: (616) 456-3081
  - Poverty exemption form is available online at:  
<http://www.grand-rapids.mi.us/index.pl?binobjid=3708>
- Kalamazoo:
  - Filing Deadline: March 7<sup>th</sup> 2007
  - City Assessor: (269) 337-8011
- Lansing:
  - Filing Deadline: March 9<sup>th</sup> 2007
  - City Assessor: (517) 483-4020
- Muskegon:
  - Filing Deadline: February 28<sup>th</sup> 2007
    - Must pick up form at city assessors office and schedule a hearing with the board of review
  - City Assessor: (231) 724-6708
- Southfield:
  - Filing Deadline: February 28<sup>th</sup> 2007
  - City Assessor: (248) 796-5230
- Warren:
  - Filing Deadline: March 12<sup>th</sup> 2007
  - City Assessor: (586) 574-4532
- Westland:

- Filing Deadline: March 13<sup>th</sup> 2007
- City Assessor: (734) 467-3160

\*The above filing deadlines were given by phone from the local assessors offices. Please be sure to contact your local tax assessor to check the dates and make sure they are correct. If it is too late for you to do this, this time, keep this article and apply next year.

### **Appeals:**

If the poverty exemption is denied or you are not satisfied with the amount of a reduction of your property taxes, your case can be appealed to the Michigan Tax Tribunal. The tax tribunal however only decides whether the right procedures were used during the board of review meeting and does not look at the specific reasons you are applying for the exemption.

*If you are a senior, you can get specific questions answered at the Legal Hotline for Michigan Seniors. Call 1-800-347-5297 (372-5959 for the Lansing area).*

*The Legal Hotline is a program of Elder Law of Michigan, Inc., a non-profit organization. If you would like to support our work, please consider sending a tax deductible donation to the Legal Hotline, 3815 W. St. Joseph, Suite C-200, Lansing, MI 48917. Thank you.*