

RESOLUTION FOR 2026 POVERTY EXEMPTION

WHEREAS, the adoption of guidelines for poverty exemptions is required of the

Clement Township Board; and

WHEREAS, the principal residence of persons, who the Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Section 211.7u(1) of the Michigan General Property Tax Act; and

WHEREAS, pursuant to PA 390 of 1994, the Township of Clement, Gladwin County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all 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 a claim using *Form 5737* 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. If the applicant is not required to file a tax return, then they may complete the Poverty Exemption Affidavit (form 4988).
- 3) File an *Asset Test Form* reporting that the combined assets of all persons in the household do not exceed \$10,000. The asset test shall exclude the value of the principle residence and the value of one automobile.
- 4) Produce a valid driver's license or other form of identification if requested.
- 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. **The income guidelines shall include, but are not limited to, the annual income for the person claiming the exemption and all persons living in the principle residence.**

According to the United States Census Bureau "income" includes, but is not limited to:

- Money, wages, salaries before deductions, regular contributions from persons not living in the residence

- Net receipts from non-farm or 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, 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, assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

7) The application and supporting documentation must be submitted after January 1, 2026, but before the December Board of Review.

8) Poverty applications are reviewed by the March, July, of December Board of Review. The Board of Review may approve a poverty exemption at 100% or 0%. Appeals can be made to the State Tax Commission.

The following are the 2026 federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for **all** persons residing in the principal residence.

Size of Family Unit	2026 Poverty Guidelines
1	\$ 15,650
2	\$ 21,150
3	\$ 26,650
4	\$ 32,150
5	\$ 37,650
6	\$ 43,150
7	\$ 48,650
8	\$ 54,150

For each additional person add \$ 5,500

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution offered by Township Board Member _____
and supported by Township Board Member _____

Upon roll call vote, the following voted:

“Aye”: _____

“Nay”: _____

The Township Clerk declared the resolution _____.

Clerk Signature

Date

2026 Poverty Application: Asset Test

The purpose of the asset test is to determine the resources available (cash, property, and fixed assets) that could be used or turned into cash to pay property taxes.

Examples of assets include: • A second home, additional land, vehicles • Recreational vehicles such as campers, motor-homes, boats and ATV's • Buildings other than the residence • Jewelry, antiques, artworks • Equipment or other personal property of value • Bank accounts, stocks • 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) • Withdrawals of bank deposits and borrowed money • Gifts, loans, lump-sum inheritances and one-time insurance payments • 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, food stamps and school lunches

List assets for all persons residing in at the property.

<u>Item</u>	<u>Approximate Value</u>
1.	
2.	
3.	
4.	
5.	