



## GRASS LAKE CHARTER TOWNSHIP BOARD OF REVIEW 2025 GUIDELINES FOR POVERTY EXEMPTIONS

*In granting a poverty exemption in part or in whole, the applicant as well as the Board of Review realizes this represents a shift of that portion of the tax burden to the other taxpayers in the community.*

1. A POVERTY Exemption is defined by the Michigan Compiled Laws Sec. 211.7u as "The real and personal property of persons, in the judgment of the Supervisor and Board of Review by reasons of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act."
2. A poverty exemption is granted for *one year only*. The applicant must apply each year to be considered for an exemption. The application and supporting documentation must be submitted after January 1, 2025, but before the December Board of Review
3. The poverty exemption shall apply to the applicant's principal residence only and not other lands.
4. To request a poverty exemption, a taxpayer must file:
  - a. Form 5737 - *Application for MCL 211.7u Poverty Exemption*
  - b. Form 5739 - *Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty*
  - c. All required additional documentation (such as federal/state income tax returns)
5. Additional documentation the applicant is required to provide-
  - a. Copies of federal and state income tax returns for all persons residing in the principal residence. These income tax returns shall include those filed in the current year or in the immediately preceding year. **Important:** if an income tax return is not required to be filed, a copy of a signed affidavit (Form 4988) attesting to this fact must accompany the application. This form is available on the GLCT and State of Michigan websites.
  - b. Complete copies of the previous 12 monthly statements for any bank or investment accounts, for all persons residing in the principal residence.

*If the above qualifications are met, a determination for exemption shall be based on two guidelines - an **income level test** and an **asset level test**. These guidelines pertain to all persons residing in the principal residence.*

Local governing bodies are required to adopt guidelines that set income levels for 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.

- 1) **2025 Income Level Guideline:** Income includes money, wages, social security, retirement & unemployment payments, alimony, child support, disability pensions, insurance payments, scholarships, grants, dividends, interest, rental income, gambling and lottery winnings. The following are the income guidelines approved by the Grass Lake Charter Township Board of Trustees for use in setting poverty exemptions for the 2023 assessments. These guidelines are established annually utilizing **150%** the U.S. Department of Health & Human Services Federal Poverty Guidelines.

**2025 FEDERAL POVERTY GUIDELINES (FPG) ANNUAL AND MONTHLY INCOME LEVELS**

FAMILY SIZE	INCOME 100% FPG		INCOME 150% FPG - GLCT GUIDELINE	
	<u>ANNUAL</u>	<u>PER MONTH</u>	<u>ANNUAL</u>	<u>PER MONTH</u>
1	\$15,060.00	\$1,255.00	\$22,590.00	\$1,822.50
2	\$20,440.00	\$1,703.33	\$30,660.00	\$2,555.00
3	\$25,820.00	\$2,151.67	\$38,730.00	\$3,227.50
4	\$31,600.00	\$2,600.00	\$46,800.00	\$3,900.00
5	\$36,580.00	\$3,048.33	\$54,870.00	\$4,572.50
6	\$41,960.00	\$3,496.67	\$62,940.00	\$5,245.00
7	\$47,340.00	\$3,945.00	\$71,010.00	\$5,917.50
8	\$52,720.00	\$4,393.33	\$79,080.00	\$6,590.00
*	\$5,380.00	\$448.33	\$8,070.00	\$672.50

\* For family units over 8, add the amount shown for each additional member

– Each additional member in the household. *“Members of a household” must qualify as a dependent from which the applicant is entitled to a dependency exemption by IRS rules.*

**2) 2025 Asset Level Guideline:**

**Applicants cannot have more than \$25,000 in assets** to be eligible for consideration. Assets include: cash, stocks, bonds, mutual funds, cash value insurance policies, coin collections, boats, RVs, motorcycles, recreational vehicles, second homes or salable real estate, gifts, retirement accounts, jewelry, antiques, equipment, etc.

*These guidelines were approved by resolution of the Grass Lake Charter Township Board of Trustees at their January 14<sup>th</sup>, 2025 meeting.*