

PARTIAL POVERTY EXEMPTION GUIDELINES:

STATE TAX COMMISSION POLICY REGARDING REQUESTS FOR PERCENTAGE REDUCTIONS IN TAXABLE VALUE FOR POVERTY EXEMPTIONS UNDER MCL 211.7u Public Act 253 of 2020 amended MCL 211.7u related to poverty exemptions.

PA 253 of 2020 lists the specific percentage reductions in taxable value that may be used by the board of review in granting a poverty exemption.

MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the board of review shall grant the poverty exemption, in whole or in part, as follows:

1. A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
2. A partial exemption equal to a 75% reduction in taxable value for the year in which the exemption is granted if between \$1.00 to \$2,500 over Income/Asset Test; or
2. A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted if between \$2,501 to \$3,200 over Income/Asset Test; or
3. A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted if between \$3,201 to \$4,500 over Income/Asset Test

No other method of calculating taxable value may be utilized, except for those percentage reductions specifically authorized in statute, or any other percentage reduction approved by the State Tax Commission. The Commission shall use the following process for the filing, review, and approval of local assessing unit requests to utilize a percentage reduction in taxable value when approving poverty exemptions under MCL 211.7u:

1. A local assessing unit that wants to use any other percentage reduction(s) in taxable value other than the reductions specifically authorized in statute must obtain permission for use of such percentage reduction(s) by filing Form 5738, Request For Approval of Percentage Reduction in Taxable Value For Poverty Exemptions Under MCL 211.7u with the State Tax Commission.
2. The local assessing unit must indicate on the Form the specific percentage reduction(s) in taxable value requested and an explanation of how the requested percentage reduction(s) will be calculated and applied when granting a poverty exemption. Based on case law, calculations that utilize any of the following are not permitted:

- a. A limitation on the maximum value of the principal residence eligible to receive an exemption.
- b. A requirement that the principal residence must be owned for a certain number of years before a claim for exemption can be made.
- c. A limitation on the number of years an exemption can be claimed and received.

MOTION BY: Ryan VanSolkema SUPPORTED BY: Kenneth Bloom TO ADOPT THIS RESOLUTION:

THE VOTE IN FAVOR OF THE RESOLUTION BEING AS FOLLOWS:

YEAS: Teresa Bennett-Stratton, Ryan VanSolkema, Kenneth Bloom, Brenda Arnold

NAYS: NONE

ABSENT: Julia Potratz

RESOLUTION DECLARED ADOPTED.

DATED: February 8th, 2024

CERTIFICATION

AS THE TOWNSHIP CLERK FOR, WINFIELD TOWNSHIP, MONTCALM COUNTY, MICHIGAN I CERTIFY THAT THIS IS A TRUE AND COMPLETE COPY OF A RESOLUTION ADOPTED BY THE TOWNSHIP BOARD COUNCIL OF WINFIELD TOWNSHIP AT ITS REGULAR BOARD MEETING OF February 8th, 2024.



KENNETH BLOOM, CLERK