

## 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 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
3. 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
4. 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: or

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 the 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 in 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 granted a poverty exemption. Based on case law, calculations that utilized 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

THE VOTE IN FAVOR OF THE RESOLUTION BEING AS FOLLOWS:

YEAS: 5 Ryan Van Solkema, Carole Sue Chase Sturt  
Susan Majusko, Theresa Bennette-

NAYS: 0 Shatten + Julia Potratz.

ABSENT: 0

RESOLUTION DECLARED ADOPTED

DATED: 02/13/2025

CERTIFICATION

AS THE TOWNSHIP/CITY CLERK FOR Winfield TOWNSHIP/CITY OF  
Montcalm COUNTY MICHIGAN I CERTIFY THAT THIS IS A TRUE AND COMPLETE  
COPY OF A RESOLUTION ADOPTED BY THE TOWNSHIP BOARD/ CITY COUNCIL OF  
Winfield TOWNSHIP/CITY AT ITS REGULAR BOARD MEETING / CITY COUNCIL OF  
February 13th 2025

Carole Sue Chase Sturt CLERK