CITY OF ANN ARBOR BOARD OF REVIEW
GUIDELINES FOR POVERTY EXEMPTIONS

Poverty exemption as defined by the Michigan Compiled Laws is as follows:

Section 211.7u: The homestead property of persons who, 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. The City of Ann Arbor further defines a Poverty exemption as having insufficient resources beyond ones control to pay ones property taxes. It does not include having the inability to afford ones property taxes due to a self imposed situation.

Guidelines

1. In granting poverty exemptions, the Board of Review realizes this to represent a shift of that portion of the tax burden to the other taxpayers of the community and state.
2. The exemption shall only apply to the applicant's homestead, and under no circumstances shall such exemption extend or apply to property classified as other than residential.
3. To be considered for a poverty exemption, the applicant must own and reside in the homestead property.
4. Any relief granted is a reduction over and above the $1200 maximum Homestead Property Tax Credit granted by the State of Michigan.
5. A copy of the applicant's and spouse's completed and signed FEDERAL INCOME TAX RETURN (if required to file), and MICHIGAN HOMESTEAD PROPERTY TAX CREDIT CLAIM (1040 CR) for the prior year must be submitted for the application to be considered. Additionally, a copy of the prior year FEDERAL INCOME TAX RETURN for any other **owner(s) and occupant(s)** of the homestead is required. (This does not include tenants renting rooms, etc., as the applicant should show rent as income.)
6. Applications may be reviewed by the Board without the applicant being present. However, the Board may request that any or all applicants be physically present to respond to any questions the Board or Assessor may have. This means the applicant could be called to appear on short notice, and be required to produce evidence of ownership and residency.
7. Poverty exemptions must be applied for each year. If an exemption is granted, it is for one year only.
8. The guidelines for maximum income exceed the federal poverty ownership income standards and will be based on the number of **owner(s) and individuals** in the household, and **total owner(s) and individuals combined household income.** Income levels will be increased annually by the Consumer Price Index (C.P.I.) or 5% whichever is less. The levels below are the base rates to be adjusted beginning in 2015; each annual change will be cumulative. The maximum income levels for 2014 are listed below:

Maximum Income

$	19,500	-	1 Person	$	40,580	-	6 People
$	24,500	-	2 People	$	44,600	-	7 People
$	28,250	-	3 People	$	48,620	-	8 People
$	32,540	-	4 People	$	5,000	-	Each Additional Person
$	36,560	-	5 People				

9. The Guideline for the maximum assets the taxpayer may have is $25,000. Assets are defined as resources other than the homestead and standard mode of transportation. If the homestead property value exceeds 150% of the average assessed value of the residential class within the taxing unit, the poverty exemption will not be considered; this is $197,400 for 2014.