

CITY OF ANN ARBOR BOARD OF REVIEW
GUIDELINES FOR POVERTY EXEMPTIONS

TAX YEAR 2025

The Board of Review may grant property tax exemptions (in whole and in part) to the principal residence of persons who, in the judgement of the supervisor and the Board of Review, are by reason of poverty unable to contribute toward the public charges. MCL 211.7u(1). Such exemptions are referred to herein as “poverty exemptions.” Corporations are ineligible for poverty exemptions. The Board shall not grant a poverty exemption to any individual who the Board finds has the ability to contribute towards public charges, but otherwise meets the poverty income eligibility guidelines herein (e.g. self-imposed poverty).

Guidelines

1. In granting poverty exemptions, the Board of Review realizes this represents a shift of that portion of the tax burden to the other taxpayers of the community and state.
2. Poverty exemptions are only available to persons who own and occupy the subject property as their “principal residence,” as that term is defined in MCL 211.7dd.
3. To be considered for a poverty exemption, the applicant must submit the requirements of MCL 211.7u(2) on an annual basis and fully complete, execute and deliver an application or reverification form, as applicable, for such exemption to the Assessor after each January 1st (for the applicable year) but before the day prior to the last day of the Board of Review (for the applicable year).
4. The Board of Review may request an applicant to personally appear before the Board to respond to any questions the Board or Assessor may have.
5. Poverty exemptions must be applied for each year. If an exemption is granted, it is for one year only.
6. Subject to annual audit by the Assessor’s Office, Poverty exemptions granted at 100% exemption for those residents that establish initial eligibility in 2021, 2022, or 2023 to receive 100% exemption in taxes who also receive a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability reductions, will remain exempt from taxation for up to 3 additional years, beginning with the 2024 tax and concluding in the 2026 tax year, per PA 0191 of 2023.
7. The total income of the applicant and each member of the applicant's household shall not exceed the Federal Poverty Income Standards, as defined and determined annually by the U.S. Department of Health and Human Services, times a factor of 2.20 (“household income test”). The federal poverty income levels are published annually by the State Tax Commission. The 2024 income level established by city council for a family of one shall not exceed \$33,132. The 2024 income level for a family of four shall not exceed \$68,640.
8. The guideline for the maximum assets the taxpayer may have is \$50,000. Assets are defined as resources other than the homestead and the standard mode of transportation.
9. The Board of Review shall follow these guidelines as approved by Ann Arbor City Council as set forth herein for granting or denying a poverty exemption. The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of poverty exemptions.

10. If a person claiming a poverty exemption is qualified under the eligibility requirements, the Board of Review shall have the statutory authority to grant the exemption in whole or in part depending on each application submitted as follows:
- a. 25% reduction in taxable value for the tax year the exemption is granted if the income is greater than 175% or less than or equal to 220% the federal poverty level.
 - b. 50% reduction in taxable value for the tax year the exemption is granted if the income is greater than 150% and less than or equal to 175% of the federal poverty level.
 - c. 75% reduction in taxable value for the tax year the exemption is granted if the income is greater than 125% and less than or equal to 150% of the federal poverty level.
 - d. 100% reduction in taxable value for the tax year the exemption is granted if the income is less than or equal to 125% of the federal poverty level.

HOUSEHOLD SIZE	FEDERAL POVERTY LEVEL	100% A2 TAXABLE VALUE EXEMPTION		75% A2 TAXABLE VALUE EXEMPTION		50% A2 TAXABLE VALUE EXEMPTION		25% A2 TAXABLE VALUE EXEMPTION	
1	\$15,060	\$18,825	\$18,826	\$22,590	\$22,591	\$26,355	\$26,356	\$33,132	
2	\$20,440	\$25,550	\$25,551	\$30,660	\$30,661	\$35,770	\$35,771	\$44,968	
3	\$25,820	\$32,275	\$32,276	\$38,730	\$38,731	\$45,185	\$45,186	\$56,804	
4	\$31,200	\$39,000	\$39,001	\$46,800	\$46,801	\$54,600	\$54,601	\$68,640	
5	\$36,580	\$45,725	\$45,726	\$54,870	\$54,871	\$64,015	\$64,016	\$80,476	
6	\$41,960	\$52,450	\$52,451	\$62,940	\$62,941	\$73,430	\$73,431	\$92,312	
7	\$47,340	\$59,175	\$59,176	\$71,010	\$71,011	\$82,845	\$82,846	\$104,148	
8	\$52,720	\$65,900	\$65,901	\$79,080	\$79,081	\$92,260	\$92,261	\$115,984	
ADDITIONAL PERSON	\$5,380	\$6,725	\$6,726	\$8,070	\$8,071	\$9,415	\$9,416	\$11,836	