

**CITY OF ANN ARBOR BOARD OF REVIEW
GUIDELINES FOR POVERTY EXEMPTIONS**

TAX YEAR 2024

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.

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 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, poverty exemptions of real property taxes granted to residents who establish initial eligibility and 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 or retirement benefits, shall remain exempt from real property taxes for up to 3 additional years.
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 \$32,076. The 2023 income level for a family of four shall not exceed \$66,000.

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.
10. If a person claiming a poverty exemption is qualified under the eligibility requirements, the Board of Review shall have the 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
 - b. 50% reduction in taxable value for the tax year the exemption is granted
 - c. 75% reduction in taxable value for the tax year the exemption is granted
 - d. 100% reduction in taxable value for the tax year the exemption is granted

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					
The board of review has the statutory authority to reduce current year taxable 100% or 75% or 50% or 25%					
The assessing unit adopts the following reduction guidelines in taxable value related to poverty					
Taxable value shall be reduced by 25% if the income is equal to or greater than 75% of the poverty level set by the governing body					
Taxable value shall be reduced by 50% if the income is greater than 150% of the federal poverty level and less than 75% of the poverty level set by the governing body					
Taxable value shall be reduced by 75% if the income is between 125% and 150% of the federal poverty level					
Taxable value shall be reduced by 100% if the income is equal to or less than 125% of the federal poverty level					