STC Bulletin No. 24 of 2017, Changes For 2018, November 28, 2017

**B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2018.**

MCL 211.7u, which deals with poverty exemptions, was significantly altered by PA 390 of 1994 and was further amended by PA 620 of 2002.

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than $20,420 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than $20,420. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2018 assessments.

|  |  |
| --- | --- |
| **Size of Family Unit** | **Poverty Guidelines** |
| 1 | $ 12,060 |
| 2 | $ 16,240 |
| 3 | $ 20,420 |
| 4 | $ 24,600 |
| 5 | $ 28,780 |
| 6 | $ 32,960 |
| 7 | $ 37,140 |
| 8 | $ 41,320 |
| For each additional person | $4,180 |

**Note:** PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 5 of 2012 for more information on poverty exemptions.

**Note:** P.A. 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing for the exemption.

December 8, 2017

To: Brevort Township Board Members,

The attached copy is a schedule of the State of Michigan approved Federal Poverty Guidelines for 2018. These are submitted to you for approval before Dec. 31, 2017. These figures will be used as township guidelines for Poverty Exemptions granted in 2018 at the March Board of Review. The Township asset test level is at $ 10,000, which does not include the home, one vehicle. The asset test needs to be approved also.

Thank you for your consideration in this matter.

Respectfully,

Sherry Burd

Assessor