

**TOWNSHIP OF SALINE**  
**2023 HARDSHIP EXEMPTION POLICY AND GUIDELINES**

**General Information:**

1. The hardship exemption for property taxes under MCL 211.7u is granted on an annual basis. An applicant must submit Michigan Department of Treasury forms 5737 and 5739, each year to retain eligibility.
2. The hardship exemption is only available for a property used as a principal place of residence (homestead).
3. The hardship exemption is calculated based on the number of “household members” in the applicant’s residence, which includes any person listed on the deed, residing in the residence on a full-time basis, or any person who could be claimed as a dependent of the applicant on the current year’s federal tax return.

**Application Process:**

1. Applications for hardship exemptions will be processed at the March, July, and December meetings of the Board of Review. To be considered, applications must be received by the Assessor’s office at least 7 days before the start of the meeting at which the application is to be considered.
2. Applications must be submitted using the Michigan Department of Treasury form 5737 and 5739 available at the Assessor’s office &/or on the Michigan Department of Treasury website. A complete application includes:
  - a. All information requested on the application form.
  - b. A copy of the deed showing the applicant’s ownership of the property (if requested).
  - c. Copies of the prior years’ federal and state income tax returns for each household member over 18 years of age. If any such household member is not required to file a federal or state income tax return, an affidavit from the Michigan Department of Treasury (Form 4988) must be submitted instead.
  - d. Supporting documentation for all income sources reported on the application form (*e.g.* recent pay stubs, receipts, investment account year-end reports, etc.).
3. When completing the required forms, it is the applicant’s responsibility to provide sufficient information and documentation regarding each item. The Board of Review may ask for additional information and documentation if it deems such information is needed to fully assess financial circumstances.
4. Except as otherwise provided in this paragraph, the applicant must appear in person before the Board of Review. Upon receiving an application, the Assessor shall contact the applicant to schedule the in-person appearance. The Assessor may, in the Assessor’s discretion, authorize an appearance by telephone or by personal representative if an in-person appearance would create an undue burden. During the required appearance, the Board of Review may ask questions regarding the applicant’s finances to verify the information on the application.

**Asset Guidelines:**

1. Applicants must, in accordance with PA 390 of 1994, meet the “Asset Guidelines” as adopted by the Township of Saline Council. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for the payment of property taxes.

2. All asset information, as requested in the Application for the Hardship/Poverty Exemption, must be provided in its entirety. The Board of Review may request additional information and verification of assets if determined it to be necessary and may reject any application if the assets are not completely or properly identified.
  - a. Liquid assets may include, but are not limited to: Bank accounts, stocks and bonds, IRA's, Roth's, other investment accounts, pensions, money received from the sale of property such as stocks, bonds, a house or car, or gifts and borrowed money, etc. Savings and other liquid assets not listed above are limited to \$1,000.
  - b. Additional total assets may include but are not limited to any of these either owned or leased: A second home, vacant or excess land, rental property, extraordinary automobiles, recreational vehicles, including snowmobiles, boats, campers, travel trailers, motor homes, jet skis, motorcycles, off road vehicles, additional buildings other than residence, equipment, jewelry, antiques, artwork, other personal property of value, and any food or housing received in lieu of wages. Total household non-liquid assets other than the principal residence cannot exceed a cash value of \$25,000.

### **Income Guidelines**

1. "Household income" includes all the following items, as received in the previous tax year (2022):
  - a. Wages and salaries before any deductions.
  - b. Payments or in-kind provision of normal expenses (e.g., meals, insurance, clothing, electronic equipment used at least in part for personal use) by a household member's business or employer.
  - c. Net receipts from non-farm self-employment. These receipts are from a person's own business, professional enterprise, or partnership, after deductions for business expenses.
  - d. Net receipts from farm self-employment. These are receipts from a farm that one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses.
  - e. Regular payments from Social Security, retirement plans, unemployment compensation, benefits from union funds, workers compensation, veteran payments, and public assistance.
  - f. Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.
  - g. Private pension receipts, government employee pension receipts (including military retirement pay), and regular insurance or annuity payments, and disbursements from other retirement plans.
  - h. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trust, net gambling, or lottery winnings.
2. Household income does *not* include the following:
  - a. Food produced for personal consumption.
  - b. Payments or receipts from federal benefit programs such as Medicare, Medicaid, food stamps, and school lunches.
  - c. Income tax refunds.

- d. Refunds received from the Michigan Homestead Property Tax Credit.
  - e. One-time gifts, one-time insurance payments, or lump-sum inheritances.
3. Income for the current tax year shall generally be projected based on income as properly reported on federal and state tax returns in the prior year. However, if the Board of Review determines that receipts in the current tax year (2023) are likely to be substantially less or more than in the prior tax year, the Board of Review may, in its discretion, reasonably adjust the applicant’s projected household income for purposes of calculating the hardship exemption.

**Exemption Eligibility and Calculation:**

- 1. The Board of Review shall determine eligibility and calculate the amount of hardship exemptions based on the policy and guidelines provided herein.
- 2. Hardship exemptions shall be calculated based on the “available funds” for the applicant’s household, which is defined to include the projected household income for the current tax year plus any household assets more than \$3,000. The following eligibility table is used in the calculation:

<b>2023 Federal Poverty Standards</b>		<b>2023 Saline Hardship Standards</b>	
<b>Size of household</b>	<b>Available Funds</b>	<b>Size of household</b>	<b>Available Funds</b>
1	\$13,590	1	\$25,142
2	\$18,310	2	\$33,874
3	\$23,030	3	\$42,606
4	\$27,750	4	\$51,338
5	\$32,470	5	\$60,070
6	\$37,190	6	\$68,802
7	\$41,910	7	\$77,534
8	\$46,630	8	\$86,266
Each additional	+ 4,720	Each additional	+ \$8,732

- 3. If the available funds for the applicant’s household fall above the federal poverty standards but below the Saline hardship standards, the Board of Review may grant a full exemption equal to a 100% reduction in taxable value (TV of 0) or a partial exemption equal to a 25% reduction or 50% reduction in taxable value.
- 4. The denial of a hardship exemption application may be appealed to the Michigan Tax Tribunal.

Guidelines adopted by Saline Township Council on: