

2026 POVERTY GUIDELINES AND ASSET LEVEL TEST

The guidelines shall include but not be limited to the specific income and asset levels of the claimant and ALL persons residing in the household, filed in the current or immediately preceding year.

To be eligible, a person shall do all the following on an annual basis:

- 1) Be an owner of and occupy as a homestead the property for which an exemption is requested
- 2) File an application (Form 5737) with the board of review, accompanied by federal and state income tax returns for ALL persons residing in the homestead for the current and previous year. PA 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.
- 3) File Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty
- 4) Produce a valid drivers' license or other form of identification if requested
- 5) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if requested
- 6) Meet **100%** of the current township poverty income guidelines as defined and determined by the Walton Township Board.

Size of Family Unit	Poverty Guidelines
1	\$17,000
2	\$22,500
3	\$28,000
4	\$33,500
5	\$39,000
6	\$44,500
7	\$50,000
8	\$55,500
For each additional person	\$5,500

Application and Affirmation for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211 7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township where the property is located in each year on or after January 1 but before the day prior to the last day of the board of review. Poverty Exemptions may be heard by the Board of Review during its March, July, and December sessions.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.				
Petitioner's Name			Daytime Phone Number	
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents	
Property Address of Principal Residence		City	State	ZIP Code
PART 2: REAL ESTATE INFORMATION				
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.				
Property Parcel Identification Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
PART 3: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)				
<input type="checkbox"/> I own the property in which the exemption is being claimed.				
<input type="checkbox"/> The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.				
PART 4: ADDITIONAL PROPERTY INFORMATION				
List information related to any other property owned by you or any member residing in the household				
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.			Amount of Income Earned from other Property	
1	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

PART 5: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 6: INCOME SOURCES

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (Indicate which)

PART 7: CHECKING, SAVINGS AND INVESTMENT INFORMATION

List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

PART 8: LIFE INSURANCE — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 9: MOTOR VEHICLE INFORMATION

All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed

Make	Year	Monthly Payment	Balance Owed

PART 10: HOUSEHOLD OCCUPANTS — List all persons living in the household.				
First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 11: PERSONAL DEBT — List all personal debt for all household members.					
Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 12: MONTHLY EXPENSE INFORMATION			
The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary			
Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

NOTICE: Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

PART 13: POLICY AND GUIDELINES ACKNOWLEDGMENT			
<p>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 exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the <i>Federal Register</i> by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.</p>			
<input type="checkbox"/> The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.			
PART 14: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
PART 15: CERTIFICATION			
<p>I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.</p>			
Printed Name	Signature	Date	

This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 30 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
 PO Box 30232
 Lansing MI 48909

Phone: 517-335-9760
 Email: taxtrib@michigan.gov

Asset Level Test and Guidelines

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 level 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.*

Other assets will not include the following:

The footprint of the homestead, one vehicle, clothing and furniture.

The footprint of the homestead. The footprint is defined as the 5 acres surrounding the property for which an exemption is being requested. Any additional property will be considered an asset in terms of qualifying for this exemption. The value placed on the additional acreage will be calculated as the true cash value currently on the assessment roll.

As an example of the footprint of a homestead:

I own 15 acres with my residence on it and am applying for a poverty exemption. I could legally remove my house and 5 acres leaving me with 10 acres I could convert to cash. Which at the time of my application the true cash value for non-tillable land was 2,500 per acre this would calculate to an asset of \$25,000. This value alone would put me over the asset limit of 10,000 and I would not qualify for the poverty exemption because of the value of my assets.

One vehicle will be exempt in the calculation of asset income. Any additional vehicles, equipment, or recreational vehicles will be considered an asset in terms of qualifying for this exemption.

The applicant must deliver this application and all required documents to the Board of Review (March, July or December Board of Review Meetings). The applicant must be present to answer *any questions the Board of Review may have. Under certain circumstances, if it is not feasible for the applicant to attend, they can get permission from the Board of Review to have the application received by the Supervisor, Assessor or Board of Review Member and presented to the Board of Review at their regular meeting.*

ASSET LEVEL TEST

Petitioner's Name _____

Property Parcel Identification Make sure to list **ALL assets for ALL people** residing in the household.

Additional assets to be reported might include artwork, antiques, jewelry, recreation vehicles such as side by side, 4-wheeler, 3-wheeler, fishing boat, camper, motor home. (Attach additional listings if needed.)

Bank accounts over 500.00 (the first 500.00 is not considered an asset)

A second home, land over 5 acres (the first 5 acres where the principal residence is located is not considered an asset)

Money received from the sale of property, such as, stocks, bonds, a house or car (unless a person is in the specific business of selling such property)

Gifts, loans, lump-sum inheritances, and one-time insurance payments.

All applicants must provide a list of all assets when applying for a poverty exemption, the assets will include all of the persons residing in the home.

If you do not have one the assets listed put N/A (not applicable) on the line next to the asset.

Assets

Cash	\$ _____	
Savings Account	\$ _____	
Checking Account	\$ _____	
Stocks and Bonds	\$ _____	
Certificate of Deposits	\$ _____	
Insurance	\$ _____	
Retirement (401k or IRA)	\$ _____	
Trust Funds	\$ _____	
Art Work	\$ _____	
Other Assets not listed above	_____	\$ _____
	_____	\$ _____
	_____	\$ _____
	_____	\$ _____

Any additional information or comments you feel is relevant to the poverty exemption:

Asset Level Test and Guidelines

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 level 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.

Other assets will not include the following:

The footprint of the homestead, one vehicle, clothing and furniture.

The footprint of the homestead. The footprint is defined as the 5 acres surrounding the property for which an exemption is being requested. Any additional property will be considered an asset in terms of qualifying for this exemption. The value placed on the additional acreage will be calculated as the true cash value currently on the assessment roll.

As an example of the footprint of a homestead:

I own 15 acres with my residence on it and am applying for a poverty exemption. I could legally remove my house and 5 acres leaving me with 10 acres I could convert to cash. Which at the time of my application the true cash value for non-tillable land was 2,500 per acre this would calculate to an asset of \$25,000. This value alone would put me over the asset limit of 10,000 and I would not qualify for the poverty exemption because of the value of my assets.

One vehicle will be exempt in the calculation of asset income. Any additional vehicles, equipment, or recreational vehicles will be considered an asset in terms of qualifying for this exemption.

The applicant must deliver this application and all required documents to the Board of Review (March, July or December Board of Review Meetings). The applicant must be present to answer any questions the Board of Review may have. Under certain circumstances, if it is not feasible for the applicant to attend, they can get permission from the Board of Review to have the application received by the Supervisor, Assessor or Board of Review Member and presented to the Board of Review at their regular meeting

ASSET LEVEL TEST

Petitioner's Name _____

Property Parcel Identification Make sure to list **ALL assets for ALL people** residing in the household.

Additional assets to be reported might include artwork, antiques, jewelry, recreation vehicles such as side by side, 4-wheeler, 3-wheeler, fishing boat, camper, motor home. (Attach additional listings if needed.)

Bank accounts over 500.00 (the first 500.00 is not considered an asset)

A second home, land over 5 acres (the first 5 acres where the principal residence is located is *not considered an asset*)

Money received from the sale of property, such as, stocks, bonds, a house or car (unless a person is in the specific business of selling such property)

Gifts, loans, lump-sum inheritances, and one-time insurance payments.

All applicants must provide a list of all assets when applying for a poverty exemption, the assets will include all of the persons residing in the home.

If you do not have one the assets listed put N/A (not applicable) on the line next to the asset.

Assets

Cash	\$ _____
Savings Account	\$ _____
Checking Account	\$ _____
Stocks and Bonds	\$ _____
Certificate of Deposits	\$ _____
Insurance	\$ _____
Retirement (401k or IRA)	\$ _____
Trust Funds	\$ _____
Art Work	\$ _____
Other Assets not listed above	_____ \$ _____
	_____ \$ _____
	_____ \$ _____
	_____ \$ _____

Any additional information or comments you feel is relevant to the poverty exemption:
