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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

Bulletin 18 of 2023
November 14, 2023
Procedural Changes for 2024

TO: Assessing Officers and County Equalization Directors

FROM: Michigan State Tax Commission

SUBJECT: Procedural Changes for the 2024 Assessment Year

The purpose of this Bulletin is to provide information on statutory changes, procedural changes and reminders for the 2024 assessment year. Additional guidance may be issued later if any pending legislation is enacted by the end of the year.

A. Inflation Rate Used in the 2024 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2024 Capped Value Formula is 1.05.

The 2024 Capped Value Formula is as follows:

$$\text{2024 CAPPED VALUE} = (\text{2023 Taxable Value} - \text{LOSSES}) \times 1.05 + \text{ADDITIONS}$$

The formula includes 1.05 because the inflation rate multiplier of 1.051 is higher than 1.05.

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2024

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 \$24,860 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 \$24,860. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2024 assessments:

Size of Family Unit	Poverty Guidelines
1	\$14,580
2	\$19,720
3	\$24,860

Size of Family Unit	Poverty Guidelines
4	\$30,000
5	\$35,140
6	\$40,280
7	\$45,420
8	\$50,560
For each additional person	\$5,140

Note: MCL 211.7u 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 3 of 2021 for more information on poverty exemptions.

Note: MCL 211.7u allows 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 includes the owner of the property who is filing for the exemption.

C. Sales Studies

Equalization study dates are as follows for 2024 equalization:

Two Year Study: April 1, two years prior through March 31, current year

Single Year Study: October 1, preceding year through September 30, current year

For 2023 studies for 2024 equalization the dates are as follows:

Two Year Study: April 1, 2021 through March 31, 2023

Single Year Study: October 1, 2022 through September 30, 2023

Note that the time period revisions apply to all equalization studies, that is: sales ratio studies, land value studies and economic condition factor studies for appraisals. Also note that the revised time period for two-year studies applies to all real property classifications.

D. Property Classification

The State Tax Commission reminds assessors that classification is to be determined annually and is based upon the current use of the property **and not** highest and best use of the property. The Commission is aware that some assessors are still classifying property according to highest and best use and/or are not classifying property on an annual basis. The Commission asks that all assessors take the necessary steps to ensure that all real and personal property is properly classified according to MCL 211.34c.

E. Public Act 660 of 2018 Training Requirements

Required Training: Assessors and Support Staff

PA 660 states that local units must ensure that support staff is sufficiently trained to respond to taxpayer inquiries. PA 660 also states that local units must require that assessors maintain their certification levels. Support staff is all non-certified staff that are involved in the development of the assessment roll, including field work, and any individual that may supply information from the assessment roll to the public. Certified staff members are required to meet annual continuing education requirements.

The State Tax Commission adopted the following requirements for support staff training at the October 20, 2020 meeting:

1. **Certified Support Staff:** Support staff who are certified will be required to complete their annual continuing education requirements to satisfy this audit requirement. Proof of completion and the required Form 5730 should be attached to the Assessor's Certification of the Assessment Roll and maintained with local unit records.
2. **Uncertified Support Staff:** Beginning in 2022, uncertified support staff will be required to complete training at least once every two years on key updates to assessing to meet this audit requirement. Proof of completion and the required Form 5730 should be attached to the Assessor's Certification of the Assessment Roll and maintained with local unit records.

Required Training: Board of Review members

PA 660 states that local units **must require** that its board of review members receive board of review training and updates required and approved by the State Tax Commission. Checking to ensure that board of review members are trained is now required as part of the audit of the local unit starting in 2023.

The State Tax Commission has determined that beginning in 2022, Board of Review members will be required to complete Board of Review training at least once every two years to meet this audit requirement.

This training will be offered by the State Tax Commission, or by outside organizations with State Tax Commission approval and use of State Tax Commission approved materials. Proof of completion and the required Form 5731 should be attached to the Board of Review's Certification of the Assessment Roll and maintained with local unit records. Board of Review members will need to make sure they receive proof of completion and that it is provided to the local unit so it can be properly maintained and provided during the audit.

F. Tax Tribunal Reminders

The Tax Tribunal Rules were updated on September 29, 2023. Summaries of the changes are in the Tribunal's November 3, 2022 and October 10, 2023 newsletters.

Assessors representing their local unit in Tax Tribunal hearings need to submit evidence to support the value of the property under appeal. If the assessor is relying on the property record card as evidence of value, the property record card must be for the year(s) being appealed. The complete property record card, including all calculations should be provided; do not submit a property record card that states "calculations too long" and then fail to include the additional calculations. Also, it is important to submit the studies prepared that support the economic condition factor and land value on the record card. Assessors should also be able to explain at the Tax Tribunal hearing how the value shown on the property record card was calculated.

The Tax Tribunal asks that assessors include copies of the adopted local unit poverty guidelines/resolutions, Economic Condition Factor studies, and land values studies (when applicable) when submitting documents for Small Claims hearings.

Assessors are also reminded that any change in contact information, including a change in email address, must be submitted to the Tax Tribunal to ensure that all case notifications are received.

More information regarding the Michigan Tax Tribunal, including Tribunal Rules, forms and instructions is available at www.michigan.gov/taxtribunal.

G. Disabled Veterans Exemption Changes

Public Acts 150, 151, and 152 of 2023 were signed by the Governor on October 19, 2023. The Acts remove the authority of the Boards of Review to review and approve disabled veterans exemptions. All applications for a disabled veterans exemption are to be reviewed and approved or denied by the assessor. **Assessors should not take 2024 disabled veterans exemption applications to the Board of Review.**

A disabled veteran or an unremarried surviving spouse must file the application to claim the exemption for 2024 after January 1 and before December 31. Assessors should timely review the applications and approve the exemption or issue a written denial.

The July and December Board of Review can hear an appeal by an unremarried surviving spouse of a denial of the exemption **for 2023 only** if there was a denial issued by the 2023 March, July, or December Board of Review.

Under MCL 211.7c, a disabled veterans exemption granted as to taxes levied on or after January 1, 2025 remains in effect, without subsequent reapplication, until rescinded by the disabled veteran or unremarried surviving spouse or denied by the assessor. Disabled veterans or unremarried surviving spouses will need to file an application in both 2024 and 2025 to claim the exemption for those tax years.

See Bulletin 19 of 2023 and the Disabled Veterans Exemption Q&A for more information.

H. Qualified Heavy Equipment Rental Personal Property Exemption

MCL 211.9p provides an exemption for qualified heavy equipment rental personal property beginning December 31, 2022. This exemption is not mandatory and may be claimed at the option of the qualified renter. Once qualified for the QHERPP exemption under MCL 211.9p, qualifying personal property will be exempt from ad valorem taxes and instead pay the specific tax as provided by Public Act 35 of 2022 (MCL 211.1121 - 211.1133).

Qualified heavy equipment rental personal property (QHERPP) is defined in MCL 211.9p(8)(f) as any construction, earthmoving, or industrial equipment that is mobile and rented to customers by a qualified renter, including attachments or other ancillary equipment for that equipment. Qualified heavy equipment rental personal property does not include handheld tools or equipment solely designed for industry-specific uses in oil and gas exploration, mining, or forestry.

The exemption must be claimed annually with the assessor by February 20 (postmark is acceptable) by filing Form 5819 *Qualified Heavy Equipment Rental Personal Property Exemption Claim* and a statement prescribed by the Department of Treasury of all QHERPP located at and/or rented from the qualified renter business location. If the statement is not delivered to the assessor by February 20, a late application can be filed directly with the March Board of Review where the qualified renter business is located.

Assessors are statutorily required to transmit the information contained in the statement and any other required parcel information to the Department of Treasury no later than April 1 each year. The information must be submitted electronically by emailing to Treas-QHERPP@michigan.gov

More information is available in Bulletin 18 of 2022.

I. Small Business Taxpayer Personal Property Tax Exemption

Public Act 150 of 2021 was signed by the Governor on December 23, 2021. The Act amended the Small Business Taxpayer Personal Property Tax Exemption (MCL 211.9o) to increase the combined true cash value limit for “eligible personal property” in a local unit from \$80,000 to \$180,000 beginning in 2023. The exemption is required to be claimed with the local unit (city or township where the property is located) by February 20, 2024 (postmark is acceptable) by submitting the completed Form 5076 *Small Business Property Tax Exemption Claim Under MCL 211.9o*. Late filed forms may be filed directly with the 2024 March Board of Review prior to the closure of the March Board.

Personal Property Valued Less Than \$80,000

To claim an exemption for personal property valued less than \$80,000, Form 5076 must be filed with the local unit (City or Township) where the personal property is located no later than February 20, 2024 (postmark is acceptable). Late filed forms may be filed directly with the local unit March Board of Review prior to the closure of the March Board of Review. Taxpayers must contact the local unit directly to determine the March Board of Review dates.

Once the exemption is granted for personal property valued at less than \$80,000, the taxpayer will continue to receive the exemption until they no longer qualify for the exemption. Once they no longer qualify, the taxpayer is required to file a rescission form and a personal property statement no later than February 20 of the year that the property is no longer eligible. Failure to file the rescission form will result in significant penalty and interest as prescribed in MCL 211.9o.

Personal Property Valued Greater than or Equal to \$80,000 but Less than \$180,000

To claim an exemption for personal property valued at \$80,000 or more but less than \$180,000, Form 5076 **along with** Form 632 *Personal Property Statement* must be filed **ANNUALLY** with the local unit (City or Township) where the personal property is located no later than February 20, 2024 (postmark is acceptable). Late filed forms may be filed directly with the local unit March Board of Review prior to the closure of the March Board of Review.

Assessors are statutorily required to transmit the information contained in both Form 5076 and Form 632 *Personal Property Statement* and any other required parcel information to the Department of Treasury no later than April 1 each year.

J. EMPP and ESA Reminders

Beginning in 2024, parcels that received the EMPP exemption in the immediately preceding year carry forward the exemption in each subsequent year until the property becomes ineligible for the exemption. A Combined Document (Form 5278) needs to be filed to claim the EMPP exemption only on those parcels that did not receive the EMPP exemption in the immediately preceding year. Taxpayers will report the addition or removal of exempt property from their parcel on their ESA Statement filed electronically with the Department of Treasury through the Michigan Treasury Online (MTO) system.

Taxpayers may request the removal of the EMPP exemption on a parcel for the current year, by filing Form 5277 with the assessor in which the parcel is reported by February 20, 2024. Assessors should report receipt of any Form 5277 in their CAMA software.

At times, taxpayers attempt to add a parcel to their ESA Statement that was not previously reported to the Department of Treasury. In these cases, the ESA Section will reach out to the assessor to ask if a Combined Document (Form 5278) was filed for the parcel and, if it was, request a copy of the Form. ESA Staff will also ask for a letter

confirming that the EMPP exemption was claimed properly and that the failure to transmit the information to the Department of Treasury was not the fault of the taxpayer. These letters are not used to incriminate an assessor who made a mistake, but rather to add to Treasury files to document why a parcel was added to an ESA Statement after the statement was generated on May 1.

The ESA Section has received consent judgments entered by the Michigan Tax Tribunal for stipulated agreements between EMPP claimants and the local units in which they have personal property. It is extremely important that any stipulated agreement filed with the Michigan Tax Tribunal indicates that the personal property reported on the parcel meets the definition of "eligible manufacturing personal property," identifies which eligible manufacturing personal property qualifies for the exemption under MCL 211.9m and MCL 211.9n and directs the Department of Treasury to generate an ESA statement so that the taxpayer may pay ESA on the exempt personal property. Assessors are advised to contact the ESA Section for a list of previous dockets that contained the appropriate requirements.

In September and October, the ESA Section begins to send out Summary of Changes letters for all taxpayers that have certified their ESA Statement and paid ESA liability in full. Recognizing that manufacturers occasionally move personal property between facilities located in different jurisdictions, a copy of this letter is sent to every local unit in which a taxpayer has reported EMPP if a change on their ESA Statement has been made to *any* parcel located in *any* local unit. This is done to assist each assessor in identifying property that may have been moved in or out of their local unit. Assessors are advised that even if their local unit is not listed on the Summary of Changes letter, it may be prudent to note whether any changes made to a parcel reported in another local unit may affect a parcel located in their local unit.

More information is available in the Assessors Guide to EMPP and ESA available online at www.michigan.gov/propertytaxexemptions.

Further information and guidance on the Eligible Manufacturing Personal Property (EMPP) Exemption, Special Acts and the Essential Services Assessment (ESA) is available at www.michigan.gov/ESA. Additional questions should be sent via email to ESAQuestions@michigan.gov.

K. Omitted or Incorrectly Reported Property (MCL 211.154)

Assessors are reminded that when submitting 154 petitions it is necessary to include complete copies of the property record cards for every year a change is being requested on the petition. For example, if a 154 petition requests a change for 2021 and 2022, the property record card for 2021 and the property record card for 2022 should be submitted. In addition, assessors must submit the calculations and documents needed to understand the reasons for the change and the amount of the requested change in the assessment and taxable values.

For 154 petitions involving removal of personal property, staff may request verification that the assessor inspected the personal property location or otherwise confirmed that

the personal property was disposed of and was not located in the local unit on the applicable tax day. Additionally, staff may inquire as to the extent of the assessor's communication with the taxpayer to confirm that personal property was reported in the new location.

Questions can be directed to the staff at Treas-154petitions@michigan.gov. Additional information, including Bulletin 2 of 2018 and copies of the approved forms, are available online at www.michigan.gov/154petitions.

L. Authority of July and December Boards of Review

Assessors are reminded that the July and December Boards of Review may only act on matters described in MCL 211.53b or expressly permitted by other statutes. This includes qualified errors listed in MCL 211.53b(6), and appeals related to poverty exemptions, qualified agricultural property exemptions, and qualified forest property exemptions.

In addition, other statutes, such as MCL 211.7ss related to the eligible development property exemption provide authority for the July and December Board of Review to take action.

Assessors should carefully review the Board of Review Q&A and Bulletins 13 of 2022 and 14 of 2022 to ensure their Boards of Review are acting within their statutory authorities.

Assessors should not be requesting that the July or December Boards of Review take action outside of the limited authority provided in MCL 211.53b.

Beginning July 11, 2022, **the July and December Board of Review have no authority to grant a PRE.** Assessors are asked to ensure that the July and December Boards of Review does not take action related to PRE claims.

Beginning October 19, 2023, assessors were granted the authority to grant timely filed Disabled Veterans Exemptions, thus nullifying the need to take Disabled Veteran Exemption applications to the Board of Review. PA 152 of 2023 clarified the definition of "qualified errors" as it relates to the July and December Board of Review authority for granting Disabled Veteran Exemptions as a "qualified error".

M. 2024 State Tax Commission Updates Class

At the August 22, 2023 State Tax Commission meeting, the recommendations of the Education and Certification Committee were approved.

ALL certified assessing officers (MCAO, MAAO, MMAO) and ALL certified assessing technicians (MCAT) must take the 2024 STC Updates Class as part of their continuing education renewal requirements for the renewal cycle beginning November 1, 2023 and ending October 31, 2024.

This class will be available both in-person at various locations across the state and online through the State Tax Commission Online Education Portal at <https://coned.mi-stc.org>. The dates and locations for the in-person classes will be posted to the State Tax Commission website.

N. Online Education Portal and MiSUITE Login

STC Online Education Portal

The State Tax Commission offers a variety of online classes, available free of charge, that provide continuing education credit. The online classes can be accessed at <https://coned.mi-stc.org>. This site is only available to Michigan certified assessors and technicians. If you have an issue with your log in credentials, especially password resets, email State-Tax-Commission@michigan.gov. If you require a password reset, **do not use the Forgotten Your Username or Password link on the page**. Instead, send an email to the State Tax Commission and staff will manually reset your password.

You must complete all requirements of the online course before you will receive your certificate of completion for the course. If a certificate is not emailed to you, then you likely did not complete one or more of the course requirements. The requirements that must be completed are listed at the top of each course and as you complete each one, they will be removed from the list.

Once you have received your certificate, you are responsible for uploading it into the MiSUITE platform to receive the continuing education credit for the course.

MiSUITE

Passwords expire after 90 days. If your password is expired, you will automatically be redirected to an Update Password page upon attempting to log in. Simply create a new password, confirm that password, and click "update."

You can access MiSUITE by going to <https://sso.misuite.app>

Assessors can check continuing education hours by logging into the MiSUITE system and checking your profile page. Total hours remaining to be completed are listed on the profile page in MiSUITE as well as the completed classes that have been properly logged into the system.

Assessors are responsible for logging their own continuing education hours in MiSUITE. When logging credit, be sure to pick the correct course, date, location, and upload proof of attendance.

If you have any questions, concerns, or need further assistance, please email Treas-MiSUITEHelp@michigan.gov.

Application 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 the property is located in each year on or after January 1.

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	
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit			
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 Code Number		Name of Mortgage Company			
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence			
Property Description					
PART 3: 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	

Continue on Page 2

PART 4: EMPLOYMENT INFORMATION — List your current employment information.

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

PART 5: 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 6: 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 7: 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 8: 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 9: 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 10: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: 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)	

Continue and sign on Page 4

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 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

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 Federal Register 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.

☐ 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 12: CERTIFICATION

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.

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 35 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
E-mail: taxtrib@michigan.gov

Poverty Exemption Affidavit

This form is issued under authority of Public Act 208 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date

Request For Approval of Percentage Reduction in Taxable Value For Poverty Exemptions Under MCL 211.7u

This form is issued under the authority of Public Act 253 of 2020.

This form is to be completed by any local assessing unit requesting to utilize a percentage reduction in taxable value for exemptions granted under MCL 211.7u other than the taxable value reductions permitted by MCL 211.7u(5)(a) and (b)(i). MCL 211.7u(5)(b)(ii) provides that the board of review may grant the poverty exemption, in whole or in part, for any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the State Tax Commission. The local assessing unit is required to complete this form in its entirety and submit to the State Tax Commission for review and approval prior to applying any other percentage reduction in taxable value other than what is permitted in statute.

All parts below must be completed.

PART 1: LOCAL ASSESSING UNIT INFORMATION			
City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township		County	
City or Township Mailing Address	City	State	ZIP Code
PART 2: PERCENTAGE REDUCTION(S) IN TAXABLE VALUE REQUESTED			
List all requested percentage reductions below:			
PART 3: EXPLANATION OF HOW PERCENTAGE REDUCTION WILL BE CALCULATED AND APPLIED			
Provide an explanation of how the percentage reduction(s) in taxable value will be calculated and applied by the local assessing unit. Attach additional pages if necessary:			
PART 4: CERTIFICATION			
We certify to the best of our knowledge, that the information contained in this form is complete and accurate and that we are authorized to represent the city or township named in this form. We understand that a request for a percentage reduction in taxable value other than what is prescribed in statute must be submitted to and approved by the State Tax Commission prior to use of any other percentage reduction in taxable value by the local assessing unit in granting exemptions under MCL 211.7u.			
City or Township Clerk Name (print)		City or Township Clerk Signature	
Assessing Officer Name (print)		Assessing Officer Signature	

Mail completed form and any attachments to: State Tax Commission, PO Box 30471, Lansing MI 48909;
or e-mail to State-Tax-Commission@michigan.gov

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.

Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code

PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code

PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.

City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		County	
Name of Local School District			
Parcel Identification Number		Year(s) Exemption Previously Granted by Board of Review	
Homestead Property Address	City	State	ZIP Code

PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)

- ☐ I own the property in which the exemption is being claimed.
- ☐ 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.
- ☐ After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I 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.

PART 5: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.

Owner or Legal Designee Name (print)	Signature of Owner or Legal Designee	Date
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Designee must attach a letter of authority.

LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)

<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)	Tax Year(s) exemption will be posted to tax roll
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CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.

Assessor Signature	Date Certified by Assessor
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THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.7u Principal residence of persons in poverty; exemption from taxation; applicability of section to property of corporation; eligibility for exemption; application; policy and guidelines to be used by local assessing unit; duties of board of review; exemption by resolution and without application for certain tax years; appeal of property assessment; audit program; "principal residence" defined.

Sec. 7u. (1) The principal residence of a person who, in the judgment of the supervisor and board of review, by reason of poverty, is unable to contribute toward the public charges is eligible for exemption in whole or in part from the collection of taxes under this act. This section does not apply to the property of a corporation.

(2) To be eligible for exemption under this section, a person shall, subject to subsections (6), (8), and (10), do all of the following on an annual basis:

(a) Own and occupy as a principal residence the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.

(b) File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, accompanied by 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. 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. If a 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, an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.

(c) Produce a valid driver license or other form of identification if requested by the supervisor or board of review.

(d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.

(e) Meet the federal poverty guidelines published in the prior calendar year in the Federal Register 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 provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

(3) The application for an exemption under this section must be filed after January 1 but before the day prior to the last day of the board of review.

(4) 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 this section. If the local assessing unit maintains a website, the local assessing unit shall make the policy and guidelines, and the form described in subsection (2)(b), available to the public on the website. The guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets.

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section. If a person claiming an exemption under this section is qualified under the eligibility requirements in subsection (2), the board of review shall grant the exemption in whole or in part, as follows:

(a) A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.

(b) A partial exemption equal to 1 of the following:

(i) A 75%, 50%, or 25% reduction in taxable value for the tax year in which the exemption is granted.

(ii) As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission.

(6) Notwithstanding any provision of this section to the contrary, a local assessing unit may permit by resolution a principal residence exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, to remain exempt under this section in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2), and may permit a principal residence exempt for the first

time from the collection of taxes under this section in tax year 2021, 2022, or 2023 to remain exempt under this section for up to 3 additional years after its initial year of exempt status without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2), if the person who establishes initial eligibility under subsection (2) receives 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. Both of the following apply to a person who obtains an extended exemption under this subsection:

(a) The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:

(i) The person ceases to own or occupy the principal residence for which the exemption was extended.

(ii) The person experiences a change in household assets or income that defeats eligibility for the exemption under subsection (2).

(b) If the person fails to file a rescission as required under subdivision (a) and the property is later determined to be ineligible for the exemption under this section, the person is subject to repayment of any additional taxes with interest as described in this subdivision. Upon discovery that the property is no longer eligible for the exemption under this section, the assessor shall remove the exemption of that property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall, within 30 days of the date of the discovery, issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall, within 30 days of the date of the removal, prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

(7) A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(8) Notwithstanding any provision of this section to the contrary, if the assessor determines that a principal residence of a person by reason of poverty is still eligible for the exemption under this section and the property was exempt from the collection of taxes under this section in tax year 2022, the property will remain exempt from the collection of taxes under this section through tax year 2023 if, on or before December 1, 2023, the governing body of the local assessing unit in which the principal residence is located adopts a resolution that continues the exemption through tax year 2023 for all principal residences within the local assessing unit that were exempt from the collection of taxes under this section in tax year 2022. The local assessing unit may require the owner of a principal residence exempt from the collection of taxes under this subsection to affirm ownership, poverty, and occupancy status in writing by filing with the local assessing unit the form prescribed by the state tax commission under subsection (2)(a).

(9) A local assessing unit that adopts a resolution under subsection (6) or (8) must develop and implement an audit program that includes, but is not limited to, the audit of all information filed under subsection (2). If property is determined to be ineligible for exemption as a result of an audit, the person who filed for the exemption under subsection (2) is subject to repayment of additional taxes including interest to be paid as provided in subsection (6)(b). The state tax commission shall issue a bulletin providing further guidance to local assessing units on the development and implementation of an audit program under this subsection.

(10) Notwithstanding any provision of this section to the contrary, if an exemption was not on the assessment roll and was not denied, the July or December board of review shall grant an exemption under this section, in whole or in part as described in subsection (5), for the immediately preceding tax year on the principal residence of a person who establishes eligibility in that tax year under the criteria described in subsection (2). A claim of exemption under this subsection must be filed with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, accompanied by supporting documentation establishing eligibility for the exemption for the immediately preceding tax year and any additional supporting documentation as may be required by the state tax commission. The local assessing unit shall notify the department of treasury, in a form and manner prescribed by the department of treasury, of each exemption granted under this subsection by the board of review for the immediately preceding tax year.

(11) As used in this section, "principal residence" means principal residence or qualified agricultural

property as those terms are defined in section 7dd.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1993, Act 313, Eff. Mar. 15, 1994;—Am. 1994, Act 390, Imd. Eff. Dec. 29, 1994;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2003, Act 140, Eff. Jan. 1, 2004;—Am. 2012, Act 135, Imd. Eff. May 16, 2012;—Am. 2020, Act 253, Imd. Eff. Dec. 22, 2020;—Am. 2023, Act 191, Imd. Eff. Nov. 7, 2023.

Popular name: Act 206