



City of Allegan Hardship Exemption Guidelines

- 1) To be eligible for exemption under Section 7u of Act no. 206 of the Public Acts of 1893, as amended, a person shall do all of the following on an annual basis:
 - a) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
 - b) File a claim with the supervisor or board of review on a form 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. 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's 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.
- 2) In addition to the eligibility requirements stated above, the City of Allegan provides additional guidelines and criteria for granting or denying hardship exemption requests. The Board of Review take the deliberation process seriously and within its authority, reserves the right to make decisions based upon individual case consideration. The Board of Review strives to uniformly apply the standards to each applicant's circumstances, within the overall guidelines provided herein.

Petitions for a Hardship Exemption must be presented in person by the applicant or authorized agent before the Board of Review at one of their annual meetings held in March, July or December. Each petitioner must submit a copy of the current year or immediately preceding year Federal Income Tax Return (1040), Michigan Income Tax Returns (MI-1040) and Michigan Homestead Property Tax Credit Claim Return for all persons residing in the homestead or having an ownership interest in the property.

- a) Income of all parties residing in the home or having an ownership interest in the property will be considered. An explanation will be required for all household members over the age of 18 years who are not listed as contributing to the household income.

Applicants will not be eligible for the hardship exemption if they do not meet the following income eligibility guidelines as of March 1, of the current year.

- A family of -1- may not earn more than 25,500
- A family of -2- may not earn more than 30,600
- A family of -3- may not earn more than 34,700
- A family of -4- may not earn more than 37,800
- A family of -5- may not earn more than 40,900
- For each additional family member, add \$4,100 per year.

The definition of income used will be that defined by the Federal Bureau of Census.

Money wages and salaries before any deductions. 2.) Net receipts from nonfarm self-employment. These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expense. 3.) Net receipts from farm self-employment. These are receipts from a farm one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses. 4.) Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, public assistance (including Aid to Families with Dependent Children, Supplemental Social Security Income, Emergency Assistance money payments, and non-Federally-funded General Assistance or General Relief money payments. 5.) Alimony, child support, and military family allotments of other regular support from an absent family member or someone not living in the household. 6.) Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments. 7.) College or university scholarships, grants, fellowships, and assistantships. 8.) Dividends, interest, net rental income, net royalties, and periodic receipts from estates or trusts, and net gambling or lottery winnings.

Income does not include the following: 1.) Money received from the sale of property such as stocks, bonds, a house, or car unless a person is in the business of selling such property. 2.) Withdrawals of bank deposits and borrowed money. 3.) Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments. 4.) Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms. 5.) Federal non-cash benefit programs such as Medicare, Medicaid, food stamps and school lunches.

- b) The assets excluding home furnishings, of all parties residing in the home or having an ownership interest in the property will be reviewed to determine if the applicant or co-owner has assets that can be used to pay the property taxes. Assets of all parties shall not exceed \$50,000. The Applicant or any occupant shall not have an ownership interest in any real estate other than the homestead in question.
- c) Properties held in a trust are not eligible.

3) Let it also be known to all applicants that:

Due to the Freedom of Information Act, in the case of a hardship appeal, a copy of the petition and supporting documentation will be kept in a separate file in the City Assessor's office but will be provided on request to an interested member of the public.

A Hardship will not be granted without the petitioner or a representative for the petitioner appearing before the Board of Review. Applicants for a hardship may petition the Board of Review by appointment at any of their annual meetings held in March, July and December. A

complete application including all necessary documentation will be required. City staff will make every effort to work with the applicant to gain the necessary documentation. However, ultimately it is the responsibility of the Applicant to provide a complete application and all supporting documentation.

An applicant may appeal the Board of Review decision on a hardship exemption to the Michigan Tax Tribunal. This appeal must be made by June 30th of the tax year in question. On behalf of an applicant, the City the Assessor may also appeal the Board of Review decision on a hardship exemption to the Michigan Tax Tribunal.

The Board of Review realizes that each poverty exemption request has an individual set of circumstances that must be considered in its deliberations. These guidelines and criteria have been established to assist the Board of Review in developing a uniform and well established basis for granting or denying a hardship exemption request.

For applicants granted a hardship exemption; The Board of Review will grant a 100% reduction in taxable value or a partial exemption equal to a 25% or 50% reduction in taxable value or any other percentage reduction in taxable vale approved by the State Tax Commission.