

## **ASSET LEVEL TEST FOR POVERTY EXEMPTION FROM TAXATION**

### **1. DEFINITION OF ASSET**

An asset shall mean everything which can be made available for the payments of debt and shall include all items of any type and nature wherever located.

### **2. VALUE**

Value shall be defined as being the fair market value of the item, if such can be determined. If fair market value cannot be determined with a reasonable degree of certainty, the value shall be the purchase price of the item, unless such determination is totally unreasonable.

The value of the asset shall be reduced by any indebtedness owed against that asset.

### **3. DETERMINATION OF ASSETS**

All assets shall be considered whether in the name of the applicant solely, or in conjunction with any other person or entity. If the asset is in the name of any legal entity, but does not have the name of the applicant on the title, such shall be considered an asset of the applicant to the extent that the applicant has any substantial control of that entity or that asset.

The asset shall be considered solely that of the applicant's if the asset is in a trust that the applicant is the primary beneficiary of.

### **4. EXCLUSIONS**

The value of the homestead and personal property used in connection with the use and occupancy of the home and the primary vehicle of the applicant shall not be considered as an asset.

### **5. ELIGIBILITY**

Assets of the applicant shall not exceed a cumulative dollar value of \$25,000. The determination of granting any poverty exemption shall require that all assets of the applicant as well as all available sources of income or funds be considered. The applicant shall be required to meet the standards of the federal poverty income for the particular year as well as the standard for the poverty exemption of asset level. The meeting of one of the two standards shall not be deemed sufficient to qualify for such poverty exemption.

## Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 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