



2025 POVERTY EXEMPTION POLICY AND GUIDELINES

Section 211.7u(1) of the Michigan General Property Tax Act provides for a property tax exemption, in whole or in part, for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges.

On January 21, 2025 the Ecorse City Council adopted the following Poverty Exemption Policy and Guidelines (the "Policy"). The Policy includes an asset test and income test as required by Michigan statute, along with the State of Michigan required application forms. The Policy's annual income levels shall be updated annually, without Township board approval, to reflect the Federal Poverty Income levels.

The Board of Review is required to follow the adopted policy when approving or denying the request for poverty exemption. If the applicant meets all eligibility requirements, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value or a partial exemption equal to a 25%, 50% or 75% reduction in taxable value.

A taxpayer who files a poverty exemption application at the March Board of Review is not prohibited from also filing a valuation appeal at the March Board of Review. A taxpayer may also file a poverty exemption application with the July or December Board of Review. A taxpayer may appeal a poverty exemption denial by the Board of Review to the Michigan Tax Tribunal.

To claim a poverty exemption, the application and all supporting documentation as outlined in the Policy must be submitted between February 1, 2025, and December 8, 2025, (the day prior to the December Board of Review held on December 9, 2025). Disabled applicants may call the Assessing Department at (313) 386-2420 on Wednesday or Friday to make necessary arrangements for assistance.

Requirements:

1. The applicant must own and occupy as their principal residence the property for which the exemption is being claimed. The property cannot be owned by a business entity.
2. The applicant must file a **fully complete** application which includes Forms 5737 and 5739 (attached) and **all required and requested tax returns and documentation** – see attached list.
3. The applicant must meet the "Asset Guidelines" as approved by the Ecorse City Council.
4. The applicant must meet the "Income Guidelines" which are the federal poverty guidelines updated annually by the United States Department of Health and Human Services.

Asset Guidelines Used in the Determination of Poverty Exemptions for 2025

As required by PA 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit **SHALL** include an asset level test. The purpose of an asset test is to determine the resources available: Cash, fixed assets or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed. The value of the principal residence is not included in the asset test.

The following asset test shall apply to all applications for poverty exemption:

- The applicant's household shall not have "liquid" (cash) assets in excess of \$7,500,

AND

- The applicant's household shall not have **total** assets (cash and non-cash assets – see list below) in excess of \$20,000.

Household assets greater than what is stated above will result in a denial of the poverty exemption, even if the applicant meets the Income Guideline. The Board of Review may deny any application if the assets are not properly identified.

Cash and other non-cash assets considered may include but are not limited to:

- Bank accounts
- Stocks and bonds, pensions, IRAs and other investment accounts
Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Money received from the sale of property such as stocks, bonds, a house or a car (unless a person is in the specific business of selling such property)
- Second home, rental property, or building/property other than the residence
- Excess or vacant land
- Extraordinary automobiles
- Jewelry, antiques or artworks
- Recreational vehicles such as campers, motor-homes, boats and ATV's
- Equipment or other personal property of value
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms

Income Guidelines Used in the Determination of Poverty Exemptions for 2025

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemptions and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the United States 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 \$25,820 which is the amount shown on the following chart for a family of 3 persons.

Below are the federal poverty guidelines updated annually in the Federal Register by the US Department of Health and Human Services which were adopted in 2024. The City of Ecorse will follow these guidelines for establishing 2025 poverty exemptions:

Size of Family Unit	Poverty Guidelines
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,960
7	\$47,340
8	\$52,720
For each additional person	\$5380

Household income greater than what is stated above, per household size, will result in a denial of the poverty exemption, even if the applicant meets the Asset Guideline. The Board of Review may deny any application if income is not properly identified.

The income guidelines shall include, but are not limited to, the annual income for the person claiming the exemption and all persons living in the principal residence.

Income considered may include but is not limited to:

- Money, wages, salaries before deductions, and regular contributions from persons not living in the residence
- Net receipts from a person's own business, professional enterprise, or partnership, after business deductions
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, and supplemental security income (SSI)
- Alimony, child support, military family allotments
- Private pensions, governmental pensions, disability pensions, regular insurance, annuity payments
- College or university scholarships, grants, fellowships, and assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

Reduction Calculation

Public Act 253 of 2020 and Public Act 191 of 2023 amended MCL 211.7u related to poverty exemptions. These acts list the specific percentage reductions in taxable value that may be used by the Board of Review in granting a poverty exemption.

MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption, in whole or in part, as follows:

- 1) A full exemption equal to a 100% reduction in taxable value
- 2) A partial exemption equal to a 75% reduction in taxable value
- 3) A partial exemption equal to a 50% reduction in taxable value
- 4) A partial exemption equal to a 25% reduction in taxable value

No other method of calculating taxable value may be utilized, except for those percentage reductions specifically authorized in statute, or any other percentage reduction approved by the State Tax Commission.

The following depicts the taxable value reduction granted to the eligible applicant for 2025 poverty exemptions:

Household size	Income (federal limit)	100% Taxable Value exemption	75% Taxable Value exemption	50% Taxable Value exemption	25% Taxable Value exemption
1	\$15,060	\$0 to \$3765	\$3766 to \$7530	\$7531 to \$11,295	\$11,296 to \$15,060
2	\$20,440	\$0 to \$5110	\$5111 to \$10,220	\$10,221 to \$15,330	\$15,331 to \$20,440
3	\$25,820	\$0 to \$6455	\$6456 to \$12,910	\$12,911 to \$19,365	\$19,366 to \$25,820
4	\$31,200	\$0 to \$7800	\$7801 to \$15,600	\$15,601 to \$23,400	\$23,401 to \$31,200
5	\$36,580	\$0 to \$9145	\$9146 to \$18,290	\$18,291 to \$27,435	\$27,436 to \$36,580
6	\$41,960	\$0 to \$10,490	\$10,491 to \$20,980	\$20,981 to \$31,470	\$31,471 to \$41,960
7	\$47,340	\$0 to \$11,835	\$11,836 to \$23,670	\$23,671 to \$35,505	\$35,506 to \$47,340
8	\$52,720	\$0 to \$13,180	\$13,181 to \$26,360	\$26,361 to \$39,540	\$39,541 to \$52,720
Additional Person \$5380					

Failure to meet the Income Guideline, Asset Guideline, or submission of an incomplete application will result in a denial of the poverty exemption.

REQUIRED ATTACHMENTS TO APPLICATION – CHECK LIST PAGE 1 OF 2

- Provide documents for applicant, spouse, and/or all others that are residing in the home.
- Submit most recent statement/document unless otherwise indicated.
- Please submit copies only, not originals. Anything submitted will not be returned.
- If one of the items below does not apply, please write “N/A” (not applicable) to indicate the applicant does not have anything to provide for that item.
- This initialed checklist must be returned with the application forms.

Initial below when requested information is attached to this application:

_____ Valid Michigan Driver’s License or other legal form of photo identification for all persons in the household

_____ 2024 Federal Income Tax Return - fully complete, signed copy of what was filed with the IRS

_____ 2024 State Income Tax Return - fully complete, signed copy of what was filed with the State of MI

_____ If any of the applicants are not required to file a Federal or State Income Tax return, Form 4988, **Poverty Exemption Affidavit** (attached) must be provided for ALL persons that are not required to file income tax.

_____ Michigan Homestead Property Tax Credit (MI-1040CR). This completed form is required regardless of your requirement to file income tax returns

_____ Current full credit report for all persons 18 years or older residing in the household. Reports that include only the credit score will not be accepted. Full credit reports are available at no cost to the applicant once per year from all three (3) of the following credit reporting bureaus: Equifax, Experian and TransUnion. Free credit reports are available at myfreecreditreport.com

_____ Bank and/or credit union monthly statements for the **prior 12 months (as of the date of application)** of **ALL** checking and savings accounts

_____ Social Security Benefit Statement

_____ Non-cash benefit statements such as Medicaid, WIC, food stamps and school lunches

_____ W-2 Form from employer

_____ Net receipts from self-employment

_____ State or Federal checks

_____ Unemployment benefits statement

_____ Pension – 1099 Statement

**REQUIRED ATTACHMENTS TO APPLICATION – CHECK LIST
PAGE 2 OF 2**

- _____ Certificate of Deposit statement
- _____ Stocks or bonds statement
- _____ Child Support payment statement
- _____ Alimony payment statement
- _____ Insurance or annuity payment statement
- _____ If home was purchased in the prior 2 years, a copy of the loan application and closing statement
- _____ Most recent mortgage verification showing balance of loan plus principal and interest payment amounts
- _____ Second mortgage or equity loan statement
- _____ List and current value of other property currently owned by applicant (includes but not limited to vacant land, second home, rental property, building/property other than the residence)
- _____ List of equipment, jewelry, antiques, artwork and current value
- _____ State of Michigan car registration for all vehicles
- _____ List of regular contributions OR gifts OR loans from persons not living in the residence (in the last 24 months)
- _____ List of dividends, interest, and net income from rentals or estates or trusts (in the last 24 months)
- _____ List of money received from the sale of property such as stocks, bonds, a house, or a car (in the last 24 months)

Failure to provide a complete application will result in a denial of the poverty exemption.

Applicant Certification

Please **initial** each applicable statement:

_____ I/We have received a copy of and understand the 2025 Poverty Exemption Policy and Guidelines.

_____ I/We understand our application and all required attached documentation is examined by the Board of Review at an open meeting and may be further discussed by the City of Ecorse Assessing Department staff or designated agent, Board of Review, and Michigan Tax Tribunal and is obtainable by the public as part of the public record.

_____ I/We declare that the statements made herein are complete, true, and correct to the best of my/our knowledge.

_____ I/We also understand that this application will be DENIED if the information contained within is found to be false or incomplete.

Applicant Signature: _____ Date: _____

Spouse Signature: _____ Date : _____

Name of preparer if other than applicant: _____
(please print)

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
C] 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.				
Check if you own, or are buying, other property. If checked, complete the 1.3 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 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.

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	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		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)	

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

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

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		State	ZIP Code
PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address		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		State	ZIP Code
PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)			
<p><input type="checkbox"/> 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.</p> <p><input type="checkbox"/> 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.</p>			
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
Designee must attach a letter of authority.			
LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)			
<input type="checkbox"/> Approved	Denied (Attach appeal instructions and provide to owner.)	Tax Year(s) exemption will be posted to tax roll	
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	

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