

Johnstown Township Poverty Guidelines Asset Level Test

1. 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.
2. 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, and an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return.
3. Produce a valid driver license or other form of identification if requested by the supervisor or board of review.
4. Produce a deed, land contract, or other evidence of ownership of the property for which and exemption is requested if required by the supervisor or board of review.
5. Meet the federal poverty income guidelines as defined and determined annually by the United State Office of Management and Budget.
6. Meet additional eligibility requirements as determined by the township board, including a maximum asset level herein defined.
7. Show proof of submission to the Michigan Department of Treasury for homestead credit or other credits that off set tax or household cost liability.

Asset Level Test

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

- The applicant shall not have “**liquid**” assets (excluding the value of the principal residence subject to the exemption request) in excess of **two** (2) times the amount of the estimated tax obligation for the current year.
- The applicant shall not have “**total**” assets (excluding the value of the principal residence subject to the exemption request) in excess of **ten** (10) times the amount of the estimated tax obligation for the current year.

All asset information, as requested in the Application for Poverty Exemption must be completed in total. The Board of Review or Supervisor may request additional information and verification of assets if they determine it to be necessary and may reject any application if the assets are not properly identified.

Liquid Assets may include but are not limited to:

- Bank accounts
- Stocks and Bonds
- IRA's and other investment accounts
- Pensions

- 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.

In addition, total assets may also include but are not limited to:

- A second home
- Excess or vacant land
- Rental property
- Extraordinary automobiles
- Recreational vehicles such as snowmobiles, boats, camping trailers, travel trailers, motor homes, jet skis, motor cycles, off road vehicles, or anything else which may be considered a recreational vehicle
- Buildings other than the residence
- Equipment
- Other personal property of value
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms
- Jewelry, antiques, artwork
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, school lunches.

Public Act 253 of 2020 requires the Board of Review to grant the exemption in whole or in part as follows:

- A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.
- A partial exemption equal to 1 of the following:
 - a. 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.
 - b. Any other percentage reduction in taxable value for the tax year in which the exemption is granted, as approved by the state tax commission.