



Iron River Township

Poverty Exemption Policy & Procedure

I. BASIC FILING REQUIREMENTS

To be considered for property tax exemption under MCL 211.7u each applicant **MUST**:

1. Own and occupy the property that is subject to the exemption request, *as a Principal Residence*, as defined by law.
2. Complete and submit an Application for Property Tax Application (MI form 5737). This application includes the requirement to list income from all sources and the value of certain personal property and liquid assets. The use of additional supplemental sheets may be necessary for these listings.
3. File Form 5739 *Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty*.
4. Submit income, personal property and asset verification as required, or any additional information requested by the BOR.
5. Submit current Federal and State Income Tax Returns and State Homestead Property Tax Credit Form.
 - a. If State and Federal Income Tax forms were not required to be submitted for the current or immediately preceding year, complete Form 4988 *Poverty Exemption Affidavit* for each person residing at the residence to which this applies.
6. Submit the application and attachments by December 1st to be considered for the current year. It is best to submit the application prior to or at the March Board of Review (BOR).
 - a. Drop the application at or mail to:

Board of Review
Iron River Township Hall
102 McNutt Rd
Iron River, MI 49935

II. PROCESSING APPLICATIONS

The Board of Review, in their consideration, may contact the applicant for any additional information deemed necessary. The Board of Review shall also reject any application where information contained in it appears fraudulent, misleading or incomplete.

III. INCOME GUIDELINES TO BE USED

The income guidelines used by the Board of Review have been established in accordance with P.A. 390 of 1994, as amended. Income levels are adjusted annually and attached at the end of this document.

Examples of “income” includes (according to the US Census Bureau):

- Money (cash), wages and salaries before any deductions
- Net receipts from self-employment (from a person’s own business, professional enterprise or partnership, after deductions for business expenses.
- Regular payments from Social Security, Railroad Retirement, unemployment, worker’s compensation, veteran’s payments and any public assistance.
- Alimony, child support and military family allotments
- Private pensions, government pensions and regular insurance or annuity payments
- College or university scholarships, grants, fellowships and assistantships.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

IV. ASSET GUIDELINES TO BE USED

The purpose of an asset test is to determine 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. To be considered for the property tax exemption, the combined value of additional assets of all persons living on the property shall not exceed two times the income guidelines as specified at the end of this document.

Examples of additional assets include:

- A second home, condo (the primary residence is exempt)
- Furniture kept at a property other than the primary residence
- Additional land and / or buildings
- Additional motor vehicles (one motor vehicle is exempt)

- Recreational vehicles (campers, motor homes, boats, ORVs, ATVs, etc.)
- Equipment, other personal property of value
- Jewelry, antiques and artwork
- Construction/Excavating Equipment
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms
- Federal non-cash benefits programs such as Medicare, Medicaid, and school lunches
- Bank accounts
- Stock Certificates, Stocks owned or in a brokerage account
- Borrowed money, withdrawals of bank deposits
- Gifts, loans, lump-sum inheritances, insurance payments, proceeds from other asset sales

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

V. PARTIAL POVERTY EXEMPTION GUIDELINES

In making its determination of the exemption amount, the Board of Review shall consider the Income Value & Asset Value of the applicant and grant an exemption, if qualified, according to the following schedule:

- A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
- A partial exemption equal to a 75% reduction in taxable value for the year in which the exemption is granted; or
- A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
- A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

VI. SUMMARY

The Board of Review has been given exclusive jurisdiction over the granting of a property tax exemption due to financial hardship. The Board of Review takes this task seriously and attempts to provide relief to all deserving residents within the Township.

In determining qualifications for property tax exemption, the Board of Review shall consider every variable on the submitted application, including total household income, the nature and duration of

the income stream, the total value of the listed additional assets, the quality and accuracy of the information submitted and any other such evidence as they feel appropriate in making their decision.

In general, these income and asset guidelines shall assist the Board of Review in their decisions.

Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for
2025

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	\$5,380