

2026 Arlington Township Poverty Exemption Policy Guidelines

Section 211.7u(1) of the Michigan General Property Tax Act indicates that the principal residence of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act.”

The Township of Arlington adopts this policy which includes an asset and income test. The Board of Review shall follow the Arlington Township policy when granting or denying an exemption. If a person meets all eligibility requirements, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value.

A property owner who files for a poverty exemption at the March Board of Review is not prohibited from filing a valuation appeal at the March Board of Review. A property owner that did not file a poverty appeal to the March Board of Review may file a poverty exemption application with the July or December Board of Review. Poverty exemption denials may be appealed to the Michigan Tax Tribunal.

The following policy and guidelines were adopted at the January 2025 Arlington Township Board meeting. The income levels used are the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services.

Requirements:

1. All applicants must annually file a completed application form and all required documentation with the Assessing Department. The application and supporting documentation must be submitted after January 1, 2026, but before the December Board of Review. Disabled applicants may call the Assessing Department at (269) 225-9006 to arrange for assistance.
2. All applicants must provide a complete, signed Federal Income Tax return and State Income Tax return, including the Homestead Property Tax Credit (MI-1040CR), that were filed in the immediately preceding year or in the current year **for all persons** residing in the principal residence. If the applicant(s) is not required to file a Federal or State Income Tax return, a signed Poverty Exemption Affidavit must be provided along with the Homestead Property Tax Credit (MI-1040CR).
3. In accordance with PA 390 of 1994, the applicant must meet the “Asset Guidelines” adopted by Arlington Township.
4. The applicant must meet the Federal Poverty Income Guidelines (attached).
**** Failure to meet the requirements will result in a denial of the poverty exemption. ****
**** Submission of an incomplete application will result in return of the incomplete application WITHOUT consideration of the Board of Review. ****

**Asset Guidelines Used in the Determination of Poverty Exemptions for
2026**

As required by PA 390 of 1994, all guidelines for poverty exemptions 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 and fixed assets and property that could be converted to cash) that could be used to pay property taxes in the year the poverty exemption is filed.

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

- The applicant shall not have assets exceeding the amount shown in the chart below based on the number of household occupants.
- The Asset Guideline (test) shall exclude the value of the principal residence subject to the poverty exemption request, the value of one automobile per licensed driver and up to \$50,000 in a retirement account if a penalty will be incurred for withdrawal. If additional automobiles are owned, then the least valuable automobiles will be excluded from the asset guideline.
- The applicant shall not have **total** assets of (excluding the value of the principal residence subject to the exemption request, excluding the value of one automobile per licensed driver and up to \$50,000 in a retirement account if a penalty is incurred for withdrawal) more than **\$33,000 for a family of 4 or more**.

Size of Family Unit	Asset Guidelines
1	\$15,960
2	\$21,640
3	\$27,320
4	\$33,000
5	\$33,000
6	\$33,000
7	\$33,000
8	\$33,000
For each additional person	N / A

Assets exceeding the amounts stated above will result in a denial of the poverty exemption.

Asset Guidelines continued

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

Cash and other assets may include but are not limited to:

- Bank accounts i.e., savings, checking.
- 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*
- Equipment or other personal property.
- Federal non-cash benefits programs such as Medicare, Medicaid, and food stamps
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms

** Recreational vehicles may include snowmobiles, boats, camping trailers, travel trailers, motor homes, jet ski, motorcycles, off road vehicles, or anything which may be considered a recreational vehicle.*

Income Guidelines Used in the Determination of Poverty Exemptions for 2026

Local governing bodies are required to adopt guidelines that set income levels for 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 U.S. 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 \$27,320 which is the amount shown on the following table 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 2025. The Arlington Township Board of Review will follow these guidelines for granting or denying poverty exemptions for the 2026 year:

Income Guidelines Continued

Number of Household Members	Poverty Guidelines
1	\$15,960
2	\$21,640
3	\$27,320
4	\$33,000
5	\$38,680
6	\$44,360
7	\$50,040
8	\$55,720
For each additional person	\$5,680

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 includes:

- Money, wages, salaries before deductions, and regular contributions from persons not living in the residence
- Net receipts from non-farm and farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense 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 and governmental retirement and 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

Meeting the income level guideline does NOT guarantee the approval of a poverty exemption. Income and asset guidelines are reviewed by the Board of Review in the decision-making process.

Poverty Exemption Reduction Calculation

Public Act 253 of 2020 amended MCL 211.7u related to poverty exemptions. PA 253 of 2020 lists 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 for the year in which the exemption is granted; or
- 2) a partial exemption equal to a 75% reduction in taxable value for the year in which the exemption is granted; or
- 3) a partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
- 4) a partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

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 Michigan State Tax Commission.

The following table depicts the taxable value reductions to be granted to the eligible applicant for 2026 poverty exemptions:

Household Size	Fed. Income	100% Taxable Value Exemption
1	\$15,060	0 to \$15,960
2	\$20,440	0 to \$21,640
3	\$25,820	0 to \$27,320
4	\$31,200	0 to \$33,000
5	\$36,580	0 to \$38,680
6	\$41,960	0 to \$44,360
7	\$47,340	0 to \$50,040
8	\$52,720	0 to \$55,720
Additional Person	\$5,380	Add \$5680

Income greater than what is stated above, per household size, will result in a denial of the poverty exemption.