



**CITY OF STERLING HEIGHTS
2019
REAL PROPERTY TAX HARDSHIP EXEMPTION GUIDELINES
FOR TAX RELIEF UNDER SECTION 211.7u, P.A. 206 of 1893**

The following guidelines were adopted by the Sterling Heights City Council on February 5, 2019.

Section 211.7u(1) of the Michigan General Property Tax Act defines the poverty, or Hardship Exemption, as a method to provide relief for those who, in the judgment of the Board of Review, are unable to fully contribute to the annual property tax burden of their principal residence due to their financial situation. In order to qualify for the Hardship Exemption, the claimant **MUST** meet **ALL** of the following requirements. It may be possible that a claimant meets the income standard for the Hardship Exemption, but does not meet the asset standard or other standards as set forth in these guidelines. In this instance, the claimant would **NOT** qualify for the exemption even though the income standard was met.

The Board of Review shall follow the policy and guidelines when granting or denying a Hardship Exemption. The same standards shall apply to each claimant in the City for the assessment year “unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant.” (Section 211.7u(5)). Hardship applicants are not prohibited from also appealing the assessment on the property for which the hardship claim is made before the Board of Review in the same year.

1. Hardship Exemptions shall apply only to the applicant's qualified **PRINCIPAL RESIDENCE** and the property must be classified **RESIDENTIAL** for property tax purposes. Under no circumstances shall a Hardship Exemption be granted or apply to the property of a business, partnership, or corporation.
2. Applicants who have purchased their principal residence within the current year or preceding two calendar years are not eligible for the exemption. When a home is purchased, it is expected that the buyer considers the cost to maintain the home, including the State mandated property taxes, when determining their affordability of the home purchase. Not doing so, creates a self-induced hardship, which will not be considered eligible for the exemption.
3. The amount of relief due to hardship that will be granted by the Board of Review for any qualified applicant shall not exceed the amount as determined by the **CITY OF STERLING HEIGHTS HARDSHIP EXEMPTION INCOME LEVEL CALCULATION REPORT**.

To be eligible for exemption by reason of hardship, a person shall do all of the following on an annual basis:

1. Applicants **MUST** be an owner of and occupy as a principal residence, (as defined by MCL 211.7dd), the property for which an exemption is being requested.
2. Applicants **MUST** complete in its entirety a "**CITY OF STERLING HEIGHTS HARDSHIP EXEMPTION APPLICATION**" form. All claims, including all required information listed below, **MUST** be filed with the City Assessor for review of completeness and eligibility compliance. Applications are to be filed after January 1st and before the day prior to the last day of the March, July or December Board of Review meetings for that assessment year. Incomplete applications and/or applications of taxpayers not meeting the eligibility requirements will be returned to the Applicant and will not be considered by the Board of Review. Qualified Applicants, or their authorized Representative, must appear in person before the Board of Review in order to be considered for relief due to financial hardship. Applicants who wish to send a Representative to appear on their behalf must provide them with a Notarized Letter of Authorization. The Representative will be required to present photo identification along with the letter. Applicants meeting all eligibility requirements will be scheduled for an appointment to appear before the Board of Review.
3. Applicants **MUST** provide copies of the following forms, including all supporting documents and schedules, for **ALL PERSONS RESIDING IN THE HOUSEHOLD**, filed in the immediately preceding year or in the current year:
 - Federal Income Tax Returns (1040 or 1040A)
(Applicants MUST file this tax return even if they owe no income tax or are not required to file a Federal Income Tax Return if they meet the requirements for receiving an Earned Income Tax Credit).
 - Signed Federal Form 4506-T: Request for Transcript of Tax Return
 - State of Michigan Income Tax Returns (MI-1040)
(Applicants MUST file this tax return even if they owe no income tax or are not required to file a Michigan Income Tax Return if they were granted a Federal Earned Income Tax Credit. The State will provide a 6% supplemental EITC when the Applicant files his/her State Income Tax Return).
 - If applicant did not file a Federal or State Income Tax return, they **MUST** complete and file an Income Tax Exemption Affidavit (Treasury Form 4988) for all persons residing in the residence who were not required to file in the current year or in the immediately preceding year, **and** who did not meet the qualifications for receiving an EITC.
 - Michigan Homestead Property Tax Credit Claim (MI-1040CR)
 - W-2 Forms
 - Social Security Benefit Statement (form SSA-1099) for **ALL PERSONS RESIDING IN THE HOUSEHOLD**, who receive Social Security benefits.
 - Proof of all sources of income if not included on the W-2 Forms, including any check stubs or receipts from contributions by relatives or other persons living in the household, or from State or Federal Government checks.

- Current year mortgage verification showing loan balance plus principal and interest payment amounts.
- Bank and/or credit union statements, for the current and immediately preceding six months, of **ALL** checking and savings accounts.
- **Current** credit reports for all persons residing in the household. (Credit reports are available at no cost to the applicant once per year from all 3 of the following credit reporting bureaus: Equifax, Experian and TransUnion. Free credit reports are available at myfreecreditreport.com)
- Statements for all household expenses and debt payments for the immediately preceding **six months**.
- A valid Michigan driver's license or other legal form of photo-identification, which indicates residing property address for all persons in the household.
- Copy of State of Michigan Registration for all vehicles.
- Copy of a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.

The City requires all Applicants to provide copies of their originally-filed tax returns and will not accept summary information reports or reproduced tax returns. Federal and State tax returns must be signed unless "e-filed" documents are included. The City retains the right to request a copy of any household occupant's federal income tax returns from the Internal Revenue Service or Michigan Income Tax Returns from the Department of Treasury pursuant to MCL 205.28, and all vehicle or titled asset registration information from the Secretary of State.

4. Applicants **MUST** meet the "Federal Poverty Income Standards for Eligibility Guidelines" as defined and determined annually by the United States Department of Health and Human Services, or alternative guidelines as adopted by the City of Sterling Heights, provided such alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

FEDERAL POVERTY INCOME STANDARDS FOR ELIGIBILITY GUIDELINES

2019

The following are the federal poverty income standards, which are updated annually by the United States Department of Health and Human Services, for 2019 assessments.

<u>Size of Family Unit</u>	<u>Poverty Threshold (Gross Income)</u>
1 person	12,490
2 persons	16,910
3 persons	21,330
4 persons	25,750
5 persons	30,170
6 persons	34,590
7 persons	39,010
8 persons	43,430
For each additional person, add	4,420

The Board of Review shall consider income from all sources and from all occupants of the household when determining whether an Applicant meets the hardship income standards adopted by the City of Sterling Heights. Income includes:

- Money, wages, and salaries before deductions.
- Regular payments for social security, railroad retirement, unemployment and worker's compensation, veteran's payments and public assistance.
- Gifts, loans and contributions by all persons, whether living in the household or not.
- Alimony, child support, and military family allotments.
- Non-cash benefits, such as Medicaid, WIC, food stamps and school lunches.
- Private pensions, governmental pensions, regular insurance or annuity payments, and inheritance payments.
- College or university scholarships, grants, fellowships, educational trust disbursements and financial aid.

In addition to meeting the income level requirements as noted above, applicants must also meet requirements based on asset level, or otherwise stated requirements, such as savings accounts, checking accounts, certificates of deposit, investments, (including collectible items purchased for their investment value), stocks, bonds, inheritances, life insurance policies, open accounts of revolving credit, interest earnings/dividends, retirement funds, ownership interest in other real estate, motor vehicles, recreational vehicles and equipment, or any other personal property.

To be eligible for exemption based on asset level, or other standards, the following requirements must be met:

1. The total value of savings accounts, checking accounts, certificates of deposit, all investments, stocks, bonds, inheritances, life insurance policies, interest earnings/dividends, retirement funds from all household members, and open accounts of revolving credit shall not exceed twice the amount of the current annual property tax obligation.
2. Applicants shall not own interest in any real estate other than their principal residence.
3. Applicants shall not be currently purchasing or leasing any automotive vehicles valued at greater than \$15,000.
4. The total value of any recreational vehicles or equipment shall not exceed the amount of the current annual property tax obligation. Recreational vehicles include snowmobiles, boats, jet skis, camping trailers, travel trailers, motorcycles, motor homes, off-road vehicles, or anything else which may be considered a recreational vehicle.



40555 Utica Road, Box 8009, Sterling Heights, MI 48311-8009

Office of Assessing
(586) 446-2340

February 8, 2019

Dear Property Owner:

Enclosed are the City of Sterling Heights Hardship Exemption Guidelines and Application Form for persons requesting tax relief due to financial hardship under Section 211.7u, P.A. 206 of 1893.

The enclosed Application form **MUST BE COMPLETED IN ITS ENTIRETY OR IT WILL NOT BE CONSIDERED.** Follow the instructions in the Guidelines carefully and provide **ALL** of the documentation required. All claims, including all required information **MUST** be filed with the City Assessor for review of completeness and eligibility compliance. Incomplete applications will be returned to the Applicant and will not be considered by the Board of Review. Qualified Applicants, or their authorized Representative, **must appear in person** before the Board of Review in order to be considered for relief due to hardship. Applicants who wish to send a Representative to appear on their behalf must provide them with a **Notarized Letter of Authorization**. The Representative will be required to present photo identification along with the letter. Applicants meeting all eligibility requirements will be scheduled for an appointment to appear before the Board of Review.

Incomplete applications will be returned to the Applicant and will not be considered by the Board of Review unless complete. Additional documentation may be requested. It is recommended that you submit your application at your earliest opportunity in order to ensure that the Assessing Department has ample time to review your application for completeness and eligibility compliance. Pursuant to MCL 211.7u (3), the final date to file an application for poverty exemption shall be, "*.....after January 1, but before the day prior to the last day of the Board of Review.*" During your appointment, the Board of Review will review your **completed** application and supporting documents and will make a decision as to your eligibility for relief based on the information filed.

The 2019 Board of Review will meet in the Council Conference Room 201 and the Director's Conference Room 202 located at 40555 Utica Road, Sterling Heights, MI 48311. All Applicants appearing before the Board of Review must report to the Assessing Department and register prior to their appointment time. The meetings of the Board of Review are subject to the Open Meetings Act, which allows for public viewing of the appeal proceedings.

For the tax year 2019, the meeting dates and filing deadlines are as follows:

March Board of Review	Meeting Dates: March 18, 19 & 20, 2019 Application Due by 5:00 p.m. on March 18, 2019 <i>(unless days in session are extended.)</i>
July Board of Review	Meeting Date: July 15, 2019 Application Due by 5:00 p.m. on July 11, 2019
December Board of Review	Meeting Date: December 9, 2019 Application Due by 5:00 p.m. on December 5, 2019

If you have any questions regarding the application, please contact Christina in the Assessor's Office at (586) 446-2348.

