

Charter Township of Garfield

Income-based Exemption

Rules, Regulations and Asset Test

Income-based Exemption Information: MCL 211.7u (1) 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. [Excerpt]

	Test 1: Income-based Exemption Guidelines		Test 2: Asset Test (if the applicant meets the Income-based Guidelines)			
What's involved:	"Table 1"		"Table 2"	"Table 3"		
	How much <u>INCOME</u> a person can receive per year and be eligible for the Income-based Exemption		<u>Things of Value</u> that a person can own and still be granted an Income-based Exemption	<u>Things of Value</u> that the BOR can consider to decide what percent exemption to grant		
What the Law says:	2024 Federal Poverty Income Guidelines		Garfield Township	Every township must adopt an asset test, but no specific test is mandated by law. The township board should set a <u>maximum asset amount</u> - in other words, a total value of assets that will likely result in receiving a 0% exemption. This can either be a dollar amount or a percentage of total income.		
	Size of Family/ Household	Maximum Total Income			Income Guidelines for 2025 Income-based Exemptions *	
	1	\$15,060				\$17,846
	2	\$20,440				\$24,221
	3	\$25,820				\$30,597
	4	\$31,200				\$36,972
	5	\$36,580				\$43,347
	6	\$41,960				\$49,723
	7	\$47,340				\$56,098
	8	\$52,720				\$62,473
	each additional person:	\$5,380				\$6,375
	* Garfield Township's Income limits are based on census data of the Median Household Income (2022 US Census Bureau estimate for Grand Traverse County of \$69,393 divided by 2.41 (number of people per household) = \$28,794 Avg Income per person x 60% (low income guidelines for housing in Grand Traverse County)					
Note: The township board can adopt maximum income levels <u>higher</u> than the federal poverty guidelines. A township board can make it easier for a person to be eligible for the Income-based exemption, but it <u>cannot make it harder</u> (by adopting lower income levels).						

EXHIBIT D

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Examples:	<p>According to the US Census Bureau, "income" includes:</p> <ul style="list-style-type: none"> * Money, wages and salaries before any deductions * Net receipts from nonfarm self-employment. (These are receipts from a person's own business, professional enterprise, or partnership, after deductions for self-employment. * Net receipts from farm self employment. (With the same provisions as above for self-employment.) * Regular payments from social security, railroad retirement, unemployment, workers' compensation, veterans' payments and 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. 	<p>The township may allow a person to own other things, besides the home, and still receive an Income-based exemption.</p> <p>Garfield Township, in addition to the principal residence, allows an applicant to own:</p> <ul style="list-style-type: none"> * Savings, checking accounts, stocks, bonds or other liquid accounts with a combined balance or value of \$6,000 or less. * One vehicle for each household member of driving age. * Tools and other household furnishings, equipment and clothes. * One recreational vehicle or boat with a market value of \$10,000 or less. * Jewelry of a value less than \$2,000, not including wedding and engagement rings. * Coin collections, firearm collections, stamp collections, rock collections, or similar collections, where the value of each collection does not exceed \$2,500. * The TOTAL value of these assets cannot exceed \$20,500. 	<p>A township may ask applicants to list all of the following types of assets to apply for an Income-based exemption (list is not exhaustive):</p> <ul style="list-style-type: none"> * A second home * Land * Vehicles * Recreational vehicles (campers, motor homes, boats, ATVs, etc.) * Buildings other than residence. * Equity in the residence above a specified amount. * Jewelry * Antiques * Artwork * Equipment * Other personal property of value. * Bank accounts over a specific amount. * Stocks * Money received from sale of property such as stocks, bonds, a house or a car unless a person is in the business of selling such property. * Withdrawals of bank deposits and borrowed money. * Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance pymts. * Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms. * Federal noncash benefit programs such as Medicare, Medicaid, food stamps, & school lunches.

EXHIBIT D