

# 2026 Poverty Exemption Guidelines and Policy

## City of East Grand Rapids

(Poverty – MCL 211.7u)

### **Mailing Address & Building Location:**

City of East Grand Rapids Assessing Department 750 Lakeside Dr. East Grand Rapids, MI 49506

### **INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED**

All Petitions are subject to the Open Meetings Act, PA 267 of 1976

**You must attach signed copies of the following for all persons living in the household:**

- 2025 FEDERAL INCOME TAX RETURN (1040) with W 2's & 1099's**
- 2025 MICHIGAN INCOME TAX RETURN (MI-1040)**
- 2025 HOMESTEAD PROPERTY TAX CREDIT FORM (MI-1040CR)**
- 2025 SOCIAL SECURITY BENEFIT STATEMENT (SSA-1099)**
- YEAR-END STATEMENTS FOR ASSET INFORMATION (see section 2d)**
- DEED, LAND CONTRACT, OR OTHER EVIDENCE OF OWNERSHIP**
- DRIVER'S LICENSE OR OTHER FORM OF IDENTIFICATION**

**IF YOU ARE NOT REQUIRED, BY LAW, TO FILE YOUR STATE INCOME TAX FORMS, YOU MUST COMPLETE THE ATTACHED POVERTY EXEMPTION AFFIDAVIT, TREASURY FORM 4988.**

**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY**

The following Poverty Exemption Guidelines and Policy were approved for use as the local standard by the City of East Grand Rapids City Commission. (Adopted: November 25, 2025)

# City of East Grand Rapids Poverty Exemption Guidelines and Policy for Applicants Requesting Consideration for Poverty Exemption

**To be considered complete, this application must:** 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

## 1) Purpose

The principal residence of persons who, in the judgment of the 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.

## 2) Eligibility

To be eligible for the poverty exemption:

- a. The applicant must be an owner of, and occupy as a principal residence, the property for which the exemption is requested:
- b. Total annual household income shall not exceed the amounts set forth under the Federal Poverty Guidelines times a factor of 2.0 as defined and determined annually by the United States Office of Management and Budget. Income includes, but is not limited to, the following, according to the US Census Bureau:
  - Money, wages, salaries before deductions, and regular contributions from persons not living in the residence.
  - Net receipts from non-farm or 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, supplemental security income (SSI)
  - Alimony, child support, military family allotments
  - Private and governmental retirement and disability pensions, regular insurance, annuity payments 5102
  - College or university scholarships, grants, fellowships, assistantships
  - Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling, or lottery winnings

- c. Meet the prior year published United States Department of Health & Human Services Federal Poverty Guidelines times a factor of 2.0, as they have been adopted by the local governing body. The following are the poverty thresholds as of December 31, 2025, for use in setting the poverty exemption guidelines for 2026 assessments:

<b>Size of Family Unit</b>	<b>2x Poverty Guidelines</b>
1	\$31,300
2	\$42,300
3	\$53,300
4	\$64,300
5	\$75,300
6	\$86,300
7	\$97,300
8	\$108,300
For each additional person, add:	\$11,000

- d. Total assets, except the homestead being claimed, essential household goods, the market value of one motor vehicle, antiques, artwork, and jewelry, should not exceed \$40,000 for the household.

Assets include, but are not limited to:

- Real estate other than the principal residence (second home, land)
- Recreational vehicles such as campers, motor-homes, boats, and ATVs
- Buildings other than the residences
- Equipment, other personal property of value
- Savings accounts, certificate of deposits, stocks, bonds, life insurance, retirement funds
- 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)
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances, and one-time insurance payments
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, and school lunches

Assets do not include essential household goods such as furniture, appliances, dishes, and clothing.

The Board of Review will not reduce the value of the assets by the amount of any indebtedness owed on such assets, or any indebtedness otherwise owed by the applicant.

### 3) **Filing Instructions**

To apply for the poverty exemption, a person shall provide all of the following on or after January 1 but before the day prior to the last day of the December Board of Review during which the exemption is requested:

- a) File Form 5737 Application and Affirmation for MCL 211.7u Poverty Exemption in its entirety, with the Assessor or Board of Review. Applicants must obtain the application forms from the Assessor's office or on the city's website. Handicapped or infirmed applicants may call the Assessor's Office to make necessary arrangements for assistance.
- b) Submit copies of 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. P.A. 135 of 2021 allows for Treasury Form 4988 to be filed for all persons residing in the residence who are not required to file federal or state income tax returns in the current or immediately preceding year.
- c) Social Security Benefit Statement Form SSA-1099 (if applicable)
- d) Provide year end statements of other assets, including investments, real property, and retirement accounts. It is suggested that the applicant submit copies of personal documents, as these documents will not be returned. The applicant may black out all social security numbers, bank account numbers, and bank routing numbers.
- e) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested, if such proof of ownership is requested by the Board of Review.
- f) Produce a valid driver's license or other form of identification.

### 4) **Deadline**

The completed application must be presented to the Board of Review for a decision at a regularly scheduled meeting. The Board of Review holds regularly scheduled meetings in March, July, and December. Applicants should contact the Assessor's office directly to verify deadline dates for submission of the forms to ensure the application gets reviewed by a Board of Review during that calendar year.

### 5) **Appearance Before the Board of Review**

The applicant, or a representative of the applicant, will be required to appear in person before the Board of Review the first two years applying and then every third year after to respond to any questions that the Board of Review or Assessor may have concerning the exemption application.

- a) An applicant may be asked to appear in person before the Board of Review on short notice.
- b) An applicant may have to answer questions regarding the applicant's financial affairs, health, or the status of people living in the applicant's home before the Board of Review at a meeting that is open to and will be attended by the public. All meetings of the Board of Review are subject to the Open Meetings Act, P.A. 267 of 1976.
- c) Applicants appearing before the Board of Review may be administered an oath as follows:
  - a. "Do you \_\_\_\_\_ swear and affirm that the evidence and testimony you will give in your own behalf before the Board of Review is the truth, the whole truth, and nothing but the truth, so help you."
- d) The Assessor may tape record and will keep minutes of all proceedings before the Board of Review.
- e) If called to appear before the Board of Review, physically challenged or infirmed applicants may call the Assessor's Office to make necessary arrangements for assistance.
- f) The Board of Review may, in its discretion, review poverty exemptions without the applicant or applicant's representative being physically present.

## 6) **Evaluation of Application**

Applications for poverty exemptions will be evaluated based on information submitted to the Board of Review by the applicant, testimony taken from the applicant, and information gathered by the Board of Review from any source. No exemption shall be granted if the current year adopted application is not completely filled out.

- a) The Board of Review will follow the approved policy and guidelines to determine eligibility and the amount of exemption.
- b) The Board of Review is not required to grant a poverty exemption for property owned by multiple owners as long as at least one owner is not eligible for the poverty exemption.
- c) The Board of Review may conduct an investigation to verify if the information submitted or statements made to the Assessor or Board of Review in regard to the applicant's poverty exemption claim.
- d) The Board of Review may not deny a poverty exemption based upon mere speculation regarding the level of an applicant's income or assets.
- e) A poverty exemption, if granted, shall remain in effect for one year and an applicant's eligibility for the poverty exemption shall be determined each year.

- f) The Board of Review may not determine an applicant's eligibility for the poverty exemption based on the number of years that the applicant has been granted a poverty exemption in the past, or the number of years that the applicant may be granted a poverty exemption in the future.

7) **Amount of Exemption**

Pursuant to P.A. 253 of 2020, the Board of Review may only grant exemptions as follows:

- a) 100% reduction to taxable value, or
- b) 75% reduction to taxable value, or
- c) 50% reduction to taxable value, or
- d) 25% reduction to taxable value or
- e) Any other percentage reduction to taxable value approved by the State Tax Commission

If the applicant meets the eligibility requirements, the Board of Review will grant a 100% poverty exemption as long as the applicant complies with all requirements and procedures set forth in these guidelines.