

CITY OF DEARBORN

Home Town of Henry Ford

DEPARTMENT OF ASSESSMENT

2025 POVERTY EXEMPTION GUIDELINES

The City of Dearborn Board of Review is permitted under State of Michigan law to review the property assessments of certain homesteads when the property owners claim poverty. The Board of Review must follow city council approved guidelines; per Council Resolution No.CR# *** dated **** and have certain information from each taxpayer who is applying for the poverty exemption in order to make a fair and informed decision.

To be eligible for exemption by reason of poverty, 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, for three (3) consecutive years prior to submission of application.
2. Application must be completed and signed for eligibility compliance.
(Notice: Any willful misstatements or misrepresentations made on this application may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.)
3. All required documents **MUST** be submitted with application for exemption consideration.
4. **Federal Poverty Guidelines Used in the Determination of Poverty Exemptions:**

Family of 1	\$15,060
Family of 2	\$20,440
Family of 3	\$25,820
Family of 4	\$31,200
Family of 5	\$36,580
Family of 6	\$41,960
Family of 7	\$47,340
Family of 8*	\$52,720

*For each additional person, add \$ 5,380

The above guideline amounts must include income from **all sources** and from **all occupants** of the household. Income includes:

- Money, wages and salaries before deductions.
- Regular payments for social security, retirement, unemployment and worker's compensation, veteran's payments and public assistance.
- Gifts, loans, contributions by all persons, whether living in the household or not.
- Alimony, child support, and military family allotments.
Private pensions, governmental pensions, regular insurance or annuity payments, and inheritance payments.

5. A written letter of explanation stating the reason any household member over the age of 18 is unable to contribute to the household income. (Part-Time employment by minors or other household members, used to defray education or other personal expenses, is deemed to be part of the total household income.)
6. A written letter of explanation is required if expenses (not including property taxes) nearly equals or exceeds the stated income.
7. Total assets of the entire household, excluding homestead, cannot exceed \$30,000
8. Applicant may not have ownership interest in any real estate other than the homestead.
9. Annual taxable and non-taxable interest/dividend income must be less than \$1,250.
10. If you qualify for the Poverty Exemption, your taxable value will be reduced by 50%.
11. The Board of Review may deny any appeal, regardless of income, if the financial hardship appears to be self-created by the actions of the person or persons making the application. The Board of Review shall also reject any application where the information contained in it appears fraudulent, misleading or incomplete. An application is considered incomplete when required supporting documents and information is not included with the application.

Common Reasons for Denial of Poverty Exemption Application

Below are common reasons (but not an exhaustive list) of why a claim for Poverty Exemption is denied:

- Failure to fill out all areas of the application, including “N/A” in areas not applicable to the applicant or not signing the application.
- Failure to include State and Federal Income taxes or property tax credit returns for all persons residing in the home. ***Property tax credit returns (such as Michigan 1040CR) can still be filed with the State of Michigan even if the applicant does not file income taxes.***
- Failure to income complete banking/investment account and mortgage statements for all persons residing in the home. All pages must be submitted.
- Expenses equal to or exceeding income without a valid explanation.

The City of Dearborn is required to receive and analyze personal household income and expense information needed in the calculation of the potential reduction in assessment by reason of poverty. All applications will be submitted to the City of Dearborn Assessing Department to take to the July or December Boards of Review. To ensure the applications are complete and to account for processing time, please submit as early as possible.

*You must make an appointment with the Department of Assessment by calling 943-2140 if you wish to personally appear before either the **July or December Board of Review**. Additionally, you will be required to have your application and all supporting documents complete before your application will be presented to the Board of Review.*

YOU ARE REQUIRED TO INCLUDE THE FOLLOWING DOCUMENTS:

- A Deed, Land Contract, or other evidence, in the name of the applicant/applicants, for the residence listed, if not already on file with the Assessor's office (i.e., proof of ownership).
- Valid Drivers License or other form of identification for **ALL persons** residing in the homestead.
- Social Security cards of **ALL persons** residing in the homestead.
- The following tax information must be submitted for **ALL applicable persons** residing in the homestead:
 - A.** Copy of completed and signed 2024 (Personal & Business) Federal Income Tax Return, **MUST** include:
 - a. Proof of gross annual income from all sources.
 - b. W-2 Form, if applicable
 - c. Itemized Deduction – Schedule A, if applicable
 - B.** Copy of completed and signed 2024 (Personal & Business) Michigan Income Tax Return, **MUST** include:
 - a. Homestead Property Credit Form - MI 1040CR
 - b. Proof of gross annual income from **ALL** sources.
- Completed and signed Poverty Exemption Affidavit (MI Dept of Treasury form 4988), if applicable.
- Current pay stub submitted for **ALL persons** residing in the homestead.
- Current proof of Social Security, SSI, State Assistance or Food Stamps, if applicable.
- Last three (3) months bank statements for **ALL persons** residing in the homestead. (Personal and Business Accounts.)
- Original Mortgage papers, if applicable. (These papers should be with your closing papers or are available at the Wayne County Register of Deeds.)
- Child Support Statement, if applicable. Written explanation required if eligible but not collecting support payments.
- Copy of paid registration receipt of dependent(s) attending college, if applicable. (Documentation of financial aid is required.)
- Proof of disability, if applicable.
- Applicants **MUST** provide a copy of their credit report which can be acquired for free at www.AnnualCreditReport.com. Federal Law allows you to get a free credit report from these three credit reporting companies, Equifax, Experian and TransUnion. Please see attached web site information. **FOR ALL ADULTS IN THE HOME.**