



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.

The Sterling Heights Office of Assessing, with the approval of the Sterling Heights City Council, has adopted these official *Hardship Exemption Guidelines* and will make them available (and in a different format if requested) for those homeowners who wish to apply for property tax relief under the above-referenced statute.

NOTE: In order to qualify for a Hardship Exemption, a homeowner must have a *principal residence exemption established for the same assessment year in which the exemption is requested* and provide the Assessing Office with a copy of all of the information listed below, or their application ***will not be considered*** by the Board of Review.

- 1. Timely filed and *fully complete* Hardship Exemption Application; the filing deadline will be listed on the front of the Application**
- 2. Copies of 2015 W-2 Forms, Social Security Statements (SSA-1099) or similar income verification for all permanent members of the household**
- 3. Copies of 2015 Federal Income Tax Returns for all household members**
- 4. Signed Federal Form 4506-T: Request for Transcript of Tax Return**
- 5. Copies of 2015 Michigan Income Tax Returns for all household members**
- 6. Copy of 2015 Michigan Homestead Property Tax Credit Claim (MI-1040CR)**
- 7. Copy of 2016 mortgage verification showing loan balance plus principal and interest payment amounts**
- 8. Copy of most recent 2016 bank statement(s) for checking and savings accounts for all household members.**
- 9. Copies of State of Michigan Registration for all vehicles in the household**
- 10. Copies of valid Michigan Operator License or other i.d. for all household members showing property address**
- 11. Copy of proof of property ownership (Recorded Deed or Land Contract, etc.)**

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.

The Hardship Exemption Application will require homeowners to give personal information for all household members and will require information to be provided concerning household assets, monthly income and expenses, and household debt. The Sterling Heights Assessing Office will, to the best of their ability, respect the confidential nature of this information by not making it available to the public.

Hardship applicants are *not* prohibited from also appealing their assessed, capped or taxable values or their property classification in the same assessment year. In order to qualify for *consideration* for a Hardship Exemption, a petitioner's household income must be less than the 2015 30% median household income for Macomb County, Michigan (as determined by the United States Department of Housing & Urban Development), or below the 2016 federal poverty guidelines. The figures listed below represent the most that could have been earned by *all* household members *combined* in order to qualify for a Hardship Exemption at the Board of Review (BOR). The BOR *may* choose to waive these income requirements if a hardship applicant has experienced a recent *significant* change in their effective household income.

<u>Household Members</u>	<u>Income</u>	<u>Household Members</u>	<u>Income</u>
1	\$14,250	5	\$28,410
2	\$16,250	6	\$32,570
3	\$20,090	7	\$36,730
4	\$24,250	8	\$40,890

If the owner of a principal residence meets the income guidelines listed above and has supplied the Assessing Office with all of the required documentation, the Assessing Office staff will make a *recommended* hardship exemption to the Board of Review assuming that 3.5% of the applicant's household income is appropriate for the payment of property taxes and that the responsibility of providing property tax relief should be shared *equally* between the City of Sterling Heights and the State of Michigan by way of the Michigan Homestead Property Tax Credit Claim.

If the interest-bearing assets of a household exceed \$10,000 per household member, or if there are significant non-liquid tangible assets held by the Applicant, the *recommended* hardship exemption amount will be reduced accordingly. The BOR has the right to reduce a hardship exemption amount if the homestead was purchased in the current calendar year or in the previous two calendar years. ***The BOR also has complete authority to deviate from the City's recommended hardship exemption amount.***

The Assessing Office requires that all first-time hardship applicants *personally* attend the Board of Review. Applicants will then be required to attend the Board of Review *every third* year unless the Board of Review requests an additional personal appearance. The Assessing Office staff will also have the right to make a personal visit to the home of all hardship applicants in each year that an Applicant receives a hardship exemption.

If an applicant has difficulty attending the Board of Review because of their health, the Assessing Office will evaluate their application without a required appearance. In compliance with the Americans with Disabilities Act, as amended, those applicants with disabilities may call the Office of Assessing to request assistance.

Applications may be dropped off at the Sterling Heights City Hall or may be mailed to the Sterling Heights Assessing Office at 40555 Utica Road, P.O. Box 8009, Sterling Heights, MI 48311-8009. All *complete* Hardship Exemption Applications received *before* the deadline will receive consideration by the Board of Review. Applicants will be notified in writing of the Board of Review's decision and their appeal rights. All hardship exemptions are, by law, effective for *one year only*.