

## **CITY OF LAPEER**

### **HARDSHIP PROPERTY TAX REDUCTION RULES AND REGULATIONS**

The City of Lapeer Board of Review will accept and evaluate applications for a homestead hardship property tax reduction or exemption based on the taxpayer's inability to pay property or the taxpayer's poverty according to MCLA 211.7u. This hardship reduction is only available to residents of the City of Lapeer for their homestead. The taxpayer must complete an application for a one-year hardship reduction or exemption and submit it to the City of Lapeer Board of Review during their annual meeting in March of each year as required by Michigan Statute. Applications are available at the City of Lapeer Assessor's Office. The application must be signed and notarized. Additionally, attached to the application must be a copy of the taxpayer's current Federal and State income tax forms as well as a copy of the current Michigan homestead property tax credit claim form. However, the Board of Review recognizes that recipients of public assistance whose sole source of income is from the State of Michigan may not complete a federal and/or State income tax form because the recipient will not be eligible for any income tax refund.

#### **A. HARDSHIP REDUCTIONS**

Maximum household income, (Poverty level income as published by the Department of Commerce, Census Bureau, Poverty Department, Telephone Number 1/301/763-8578). The current poverty level incomes are listed in Schedule "A" which will be revised annually.

The Board of Review will objectively evaluate hardship reduction applications utilizing all available information, including statements, under oath, by applicant upon appearance before the Board of Review. A taxpayer must apply for hardship reductions on an annual basis. Applicants will be qualified in one of two categories, Senior Citizens and Non-senior Citizens. Additionally, the Board of Review will consider all revenue and non-revenue producing assets during its deliberation as to whether relief shall be granted. Homestead Hardship reductions will be based on the following definitions:

1. "Household Income", total income as set forth in the Michigan Homestead Property Tax Credit Claim Form designated as line 31 and entitled "household income".
2. "Senior Citizen", a resident of the State of Michigan who is of the age designated by the Department of Treasury. Presently, the age is 65 years old.
3. "Paraplegic, Quadriplegic, Hemiplegics and Total and Permanently Disabled", a resident of the State of Michigan who has a disability as designated by the Department of Treasury.

4. “Taxable Value”, taxable value or worth of an individual’s property as assigned by Municipal, County or State government and utilized to determine the amount of annual property taxes.
5. “Homestead”, primary domicile of applicant in the City of Lapeer occupied by applicant at least six months of the year. Applicant can have only one homestead at a time.
6. “Homestead Property Tax Credit”, a program authorized by State Statute and managed by the Department of Treasury to provide a credit for homestead property taxes for eligible individuals based upon age, disability, income, and source of income.
7. “Municipal Tax Rate”, the sum of the combined summer and winter millages levied against homestead properties within the City of Lapeer.

## **B. HARDSHIP REDUCTION CATEGORIES**

1. Senior Citizens, Paraplegic, Quadriplegic, Hemiplegic and Total and Permanently Disabled:

Household incomes greater than indicated on Schedule “A” by family size will not qualify for hardship reduction.

(Household income multiplied by 3.5% plus maximum tax refund of \$1,200) divided by municipal tax rate (millage rate) equals maximum taxable value.

Actual taxable value minus maximum taxable value equals hardship reduction.

2. Non-Senior Citizens:

Household incomes greater than indicated on Schedule “A” by family size will not qualify for hardship reduction.

(Household income multiplied by 3.5% plus (maximum tax refund of \$1,200 divided by 60%) divided by municipal tax rate (millage rate) equals maximum taxable value.

Actual taxable value minus maximum taxable value equals hardship reduction.

## **C. DECISION OF BOARD OF REVIEW**

If the City of Lapeer Board of Review denies a homestead hardship reduction or exemption, the Board of Review must provide a written decision specifying the reasons

for denial. The Board of Review must advise the property owner that they may appeal the decision to Michigan Tax Tribunal, in writing, on or before June 30 of each year.

**D. APPROVAL OF RULES AND REGULATIONS**

The City of Lapeer City Commission approved said rules and regulations February 20, 1995.

Amended: November 19, 2007

## SCHEDULE A

<b>2008 HHS POVERTY GUIDELINES</b>		
<b>PERSONS IN FAMILY OR HOUSEHOLD</b>	<b>48 CONTIGUOUS STATES FEDERAL*</b>	<b>LAPEER</b>
1	10,400.00	15,600.00
2	14,000.00	21,000.00
3	17,600.00	26,400.00
4	21,200.00	31,800.00
5	24,800.00	37,200.00
6	28,000.00	42,000.00
7	32,000.00	48,000.00
8	35,600.00	53,400.00
For each additional person, add	3,600.00	5,400.00

\* *Federal Register*, Vol.73 no. 15, January 23,2008, pp. 3971-3972