

**TORCH LAKE TOWNSHIP
2026 PROPERTY TAX POVERTY EXEMPTION**

Applicant Submission Checklist

Use this checklist to make sure your Poverty Exemption Application is complete before submitting it to the Torch Lake Township Assessor's Office.

Incomplete applications may delay review by the Board of Review.

✓ Application Checklist

1. Required Forms

- State of Michigan Poverty Exemption Application (Form 5737) completed and signed (attached)
 - Torch Lake Township Poverty Exemption Policy Acknowledgment (attached)
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2. Income Documentation

Provide documentation for ALL household members living in the home.

- Federal Income Tax Return (most recent year)
 - Michigan Income Tax Return (if filed)
 - If you did not file taxes, provide a signed explanation
 - Social Security income statements (SSA-1099)
 - Pension or retirement income statements
 - Unemployment income documentation
 - Disability income documentation
 - Any other household income documentation
-

3. Asset Information

- Bank account statements (3 Months but more may be requested)
 - Investment or retirement account information
 - Vehicle ownership information
 - Additional property ownership information (if applicable)
-

4. Property Ownership and Residency

- Property must be your Principal Residence
 - Proof of ownership if requested (such as deed or property record)
 - Property must be owned and occupied by the applicant
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5. Application Signature

- Application signed and dated
 - All information provided is true and complete
-

Submission Deadline for 2026 assessment Roll:

Applications should be submitted before the March Board of Review, July Board of Review or December Board of Review as permitted by law.

Torch Lake Township
RESOLUTION for Poverty Exemption Income Guidelines and Asset Test

RESOLUTION # 2026 - #01

WHEREAS, Torch Lake Township Board adopted a Resolution for Poverty Exemption in 2008 and updates annually; and

WHEREAS, Torch Lake Township Board is updating the asset level test for the 2026 tax year;

WHEREAS, the General Property Tax Act, MCL 211.7u, states that the homestead of people who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under the General Property Tax Act; and

WHEREAS, the township board is required by MCL 211.7u to adopt guidelines for the poverty exemption;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Supervisor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household.

To be eligible for exemption, a person must do all the following on an annual basis:

- 1) Own and occupy, as a principal residence, the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.
- 2) File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, accompanied by 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. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year, and an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return.
- 3) Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.
- 4) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.
- 5) Meet the federal poverty income guidelines as defined and determined annually.
- 6) Meet additional eligibility requirements as determined by the township board, including:
 - a) If income exceeds the federal poverty income guidelines **or** assets exceed the amounts described below, a Poverty Exemption shall not be granted.
 - b) The Asset Level established under PA 390 of 1994 as described in State Tax Commission Bulletin 6 of 2017, shall be employed. This asset level test is adopted annually by the Township Board for use by the Board of Review:
 - 1) Cash assets of the total household may not exceed an amount equal to two months' gross household income. This includes all forms of money generated, including income as described by the US Census

Bureau, that is being held as: cash, money in checking/savings accounts, stocks/bonds, one-time insurance payments/cash-out option insurance policies, coin/antique/artwork collections, boats, ORV's, motorcycles, recreational vehicles, jewelry, retirement accounts, gifts, loans, lump-sum inheritances, money markets and other financial institution accounts, an/or instruments or securities which can be readily converted to cash.

- 2) **Fixed Assets** to the total household may not exceed \$10,000. Non-cash assets are defined as those which are not considered to be cash assets, as defined above.
- 3) **Other Property**, including real estate, of any value, which could be converted to cash and used to pay property taxes. Other real estate is defined as: real estate other than the primary dwelling and minimum footprint of land.
- 4) The following assets are excluded from this limit:
 - i. Applicant's principal residence and adequate transportation
 - ii. Applicant's household personal property
 - iii. Assets not accessible by the applicant, co-owner, or any member of the applicant's household.

The following are the **Federal Poverty Income Guidelines for 2026**, which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all people residing in the principal residence.

Size of Family Unit	Poverty Guidelines
1	\$15,650
2	\$21,150
3	\$26,650
4	\$32,150
5	\$37,650
6	\$43,150
7	\$48,650
8	\$54,150
For each additional person	\$5,500

WHEREAS, pursuant to PA 253 of 2020, if a person claiming an exemption qualified under the eligibility requirements, the board of review shall grant the exemption in whole or in part, as follows:

- (a) A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.
- (b) A partial exemption equal to 1 of the following:
 - (i) A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.
 - (ii) As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission.

WHEREAS, both of the following apply to a person who obtains an extended exemption:

- (a) The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:

(i) The person ceases to own or occupy the principal residence for which the exemption was extended.

(ii) The person experiences a change in household assets or income that defeats eligibility for the exemption.

(b) If the person fails to file a rescission as required and the property is later determined to be ineligible for the exemption, the person is subject to repayment of any additional taxes with interest.

BE IT ALSO RESOLVED that the supervisor and board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution offered by:

Township Board Member; Schultz

and supported by

Township Board Member; Cook

Upon roll call vote, the following voted:

"Aye": Sharon, Mary, Andy, Jason, Bob

"Nay": _____

The Township Supervisor declared the resolution adopted.

I, M. Merchant, the duly elected and acting Clerk of Torch Lake Township, hereby certify that the foregoing resolution was adopted by the township board of said township at the regular meeting of said board held on January 20th, 2026, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.

Mary Merchant
Mary Merchant, Township Clerk

Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2026

Local governing bodies are required to adopt guidelines that establish income levels for poverty exemptions. These income levels **shall not be set lower** than the federal poverty guidelines, which are updated annually by the U.S. Department of Health and Human Services. For example, the income level for a household of three persons shall not be set lower than \$26,650 as shown on the following chart below. The income level for a family of three may be set higher than \$26,650.

The following federal poverty guidelines are to be used in establishing poverty exemption guidelines for 2026 assessments:

Size of Family Unit	Poverty Guidelines
1	\$15,650
2	\$21,150
3	\$26,650
4	\$32,150
5	\$37,650
6	\$43,150
7	\$48,650
8	\$54,150
For each additional person	\$5,500

Application and Affirmation for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township where the property is located in each year on or after January 1 but before the day prior to the last day of the board of review. Poverty Exemptions may be heard by the Board of Review during its March, July, and December sessions.

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.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.				
Petitioner's Name			Daytime Phone Number	
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents	
Property Address of Principal Residence		City	State	ZIP Code
PART 2: REAL ESTATE INFORMATION				
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.				
Property Parcel Identification Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
PART 3: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)				
<input type="checkbox"/> I own the property in which the exemption is being claimed.				
<input type="checkbox"/> The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.				
PART 4: ADDITIONAL PROPERTY INFORMATION				
List information related to any other property owned by you or any member residing in the household.				
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.			Amount of Income Earned from other Property	
1	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

PART 5: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 6: INCOME SOURCES

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker’s compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

PART 7: CHECKING, SAVINGS AND INVESTMENT INFORMATION

List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

PART 8: LIFE INSURANCE — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 9: MOTOR VEHICLE INFORMATION

All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

PART 10: HOUSEHOLD OCCUPANTS — List all persons living in the household.				
First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 11: PERSONAL DEBT — List all personal debt for all household members.					
Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 12: MONTHLY EXPENSE INFORMATION			
The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.			
Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

NOTICE: Per MCL 211.7u(2)(b), 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 must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

PART 13: POLICY AND GUIDELINES ACKNOWLEDGMENT

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 14: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code

PART 15: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date
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This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 30 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing MI 48909

Phone: 517-335-9760
Email: taxtrib@michigan.gov

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date