

**MACKINAW TOWNSHIP  
JANUARY 20, 2026**

**Resolution to Adopt 2026 Poverty Exemption Income Guidelines and Asset Test**

**WHEREAS**, the adoption of guidelines for poverty exemptions is required of the Township of Mackinaw; and

**WHEREAS**, the principal residence of persons, who the Supervisor/Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

**WHEREAS**, pursuant to PA 390 of 1994, the Township of Mackinaw, Cheboygan County adopts the following guidelines for the Board of Review to implement. 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, including any property tax credit returns, filed in the current or immediately preceding year;

**RESOLUTION GUIDELINES:** To be eligible for a Poverty Exemption; The applicant must:

1. File Form 5737 Application for MCL 211.7u Poverty Exemption Application and Affirmation
2. Own and occupy the property as a principal residence. Provide federal and state income tax returns for the current or immediately preceding year, including any property tax credits, for all persons residing in the principal residence. (Disclosure of the income of an owner who is not residing in the principal residence is not required.) 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. Instead, Form 4988, *Poverty Exemption Affidavit* may be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current or immediately preceding year
3. Produce a valid driver's license or other form of identification, if requested
4. Produce a deed, land contract or other evidence of ownership of the property, if requested.
5. Meet the income guidelines of this policy
6. Meet the asset level test of this policy

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**Income Test**

- Total Annual Household Income shall not exceed the following amount applicable to the number of persons living in the household:

Number of Persons	Federal Poverty Income Level for 2026	City/Township Income Level for 2026 (+20%)
1	\$15,650	\$18,780
2	\$21,150	\$25,380
3	\$26,650	\$31,980
4	\$32,150	\$38,580
5	\$37,650	\$45,180
6	\$43,150	\$51,780
7	\$48,650	\$58,380
8	\$54,150	\$64,980
For each additional person	\$5,500	\$6,600

- Total Annual Household Income shall be based on Federal Poverty Income Guidelines and will be adjusted annually to agree to the federally established amount.

Potential income and asset sources are (non-inclusive):

Income from all sources	Interest and dividends
Salaries & wages before deductions	Pensions
Net receipts from self-employment	Supplemental Security Income
Veteran payments	Net rental income
Royalties	Scholarships & grants
Unemployment compensation	Insurance
Workers' compensation	Retirement accounts
Alimony	Child support
General assistance	IRA/Keogh annuities
Social Security	New or reverse mortgages
Cash	Stocks & bonds
Checking & savings accounts	Investments
Money market accounts	Gifts
Assets in trust accounts	Deferred compensation

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**Asset Test**

1. Things of value that a person can own and are exempt from consideration in determining eligibility for a poverty exemption.
  - a. Applicant's principal residence
  - b. One motor vehicle per working adult
  - c. Essential household goods
  - d. Personal assets of any nature with a total value up to \$15,000.
2. Things of value that the Board of Review can consider in determining what percent exemption to grant:
  - a. Real estate other than the principal residence
  - b. Personal property
  - c. Motor vehicles in excess of one per working adult
  - d. Recreational vehicles and equipment
  - e. Certificate of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, and retirement funds, etc.
3. The Board of Review shall consider the value of the assets, or indebtedness otherwise owned by the applicant. Assets (except those exempt from consideration as listed above), must not exceed \$15,000.

**Evaluation Procedures**

1. The Board of Review shall follow the above policy and guidelines when making poverty exemption decisions.
2. The applicant should be prepared to answer questions regarding their financial affairs, health, status of people living in the household, and any other question relevant to the exemption request.
3. All information is subject to verification.

Granting full or partial poverty exemptions. MCL 211.7u(5) states that if a person claiming poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption in whole or in part as follows:

- a) A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted: or
- b) A partial exemption equal to a 75% reduction in taxable value for the year in which the exemption is granted: or

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- c) A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted: or
- d) A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

No other method of calculating taxable value may be utilized, except for those percentage reductions specifically authorized by statute

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

The foregoing resolution offered by Mackinaw Township Board Member **Smydra** and supported by Mackinaw Township Board Member **Falor**.

Upon roll call vote, the following voted:

Aye: **Closs, Smydra, Brew, Falor, Darrow.**

Nay: **None.**

Supervisor Smydra declared the resolution adopted.

I, Ashely Darrow, the duly appointed and acting Clerk of Mackinaw 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 20, 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.

Clerk	Date <span style="float: right;">□</span>
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