Bear Creek Township

373 N Division Rd
Petoskey, MI 49770

2026 Poverty Property Tax Exemption Guidelines

The following ***guidelines***, adopted by Bear Creek Township, shall be followed by the Bear Creek Township Board of Review when considering ***poverty property tax exemptions*** *according to P.A. 390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL).*

Application Guidelines: To be eligible for a Poverty Property Tax Exemption in Bear Creek Township.

1) The primary applicant must own and occupy the property as their principal residence and shall satisfy all requirements of P.A. 390 or 1994 (Principle Residential Exemptions) and State Tax Commission Bulletin No. 17 of 2025. All owners and occupants may be required to sign Waivers of Confidentiality, Authorizations for inspecting the property, and permission to interview the applicants and verify the application.
2) All owners must include signed Federal and State Income Tax Returns for the most recent filing period, including supporting schedules, if the applicant is required to file an income tax return. If the applicant did not file Federal or State Tax Return, Michigan Department of Treasury Form 4988 must be filed.
3) Income and asset information is required for all owners and occupants of the property. Potential income and asset sources are (non-inclusive):
    - Income from all sources
    - Salaries & wages before deductions
    - Net receipts from self-employment
    - Veteran payments
    - Royalties
    - Unemployment Compensation
    - Workers' Compensation
    - Alimony
    - General assistance
    - Social Security
    - Cash
    - Checking & savings accounts
    - Money market accounts
    - Assets in trust accounts
    - Interest and dividends
    - Pensions
    - Supplemental Security Income
    - Net rental income
    - Scholarships & grants
    - Insurance
    - Retirement accounts
    - Child support
    - IRA/Keogh annuities
    - New or reverse mortgages
    - Stocks & bonds
    - Investments
    - Gifts
    - Deferred compensation
4) Applicants must meet the Income Test and Asset Test to be eligible to apply to the Board of Review for a partial exemption of the property tax on their principal residence. Applications will be reviewed by the Board of Review in deciding whether to grant or deny an exemption and if an exemption is granted, what percentage (100%, 75%, 50%, or 25%) of the taxable value will be exempted.

Income Test

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

	2026 Federal Poverty Level	2026 Township Income Level (+20%)	75% Exemption	50% Exemption	25% Exemption
1 Person	$ 15,650	$ 18,780	$ 19,719	$ 20,658	$ 21,597
2 Person	$ 21,150	$ 25,380	$ 26,649	$ 27,918	$ 29,187
3 Person	$ 26,650	$ 31,980	$ 33,579	$ 35,178	$ 36,777
4 Person	$ 32,150	$ 38,580	$ 40,509	$ 42,438	$ 44,367
5 Person	$ 37,650	$ 45,180	$ 47,439	$ 49,698	$ 51,957
6 Person	$ 43,150	$ 51,780	$ 54,369	$ 56,958	$ 59,547
7 Person	$ 48,650	$ 58,380	$ 61,299	$ 64,218	$ 67,137
8 Person	$ 54,150	$ 64,980	$ 68,229	$ 71,478	$ 74,727
Each additional person, add	$ 5,500	$ 6,600	$ 6,930	$ 7,260	$ 7,590
			(+5%)	(+10%)	(+15%)

2) This policy allows the Board of Review to grant full exemptions, increasing the federal income limits by 20% and increasing the 120% limit by 5% for a 75% exemption, increasing the 120% limit by 10% for a 50% exemption and increasing the 120% limit by 15% for a 25% exemption, as allowed by MCL 211.7u(i).

Asset Test

Eligible applicants will have total assets at or below the asset limit listed below for the claimant and household.

1) Total assets, excluding the principal residence and personal property located therein and a primary vehicle, may not have a total value that exceeds $20,000.

Evaluation Procedures

1) The Board of Review shall follow the above guidelines when making poverty exemption decisions. The same standards shall apply to each claimant for the assessment year.
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. The verification process can be used to determine future ineligibility.
4) The Assessor and Board of Review must agree as to the disposition of the poverty claim for the exemption to be granted.
5) Poverty Exemptions are granted for the entirety of the year in which an application is made and accepted. Each year, an applicant will be required to reapply for the exemption, and it is the applicant's responsibility to ensure that they apply in a timely manner.