

## B. 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

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

**Note:** MCL 211.7u requires that the poverty exemption guidelines established by the governing body of the local assessing unit shall include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash to pay property taxes.

The asset test should establish a maximum amount and any assets exceeding that amount is considered available. Please refer to STC Bulletin 17 of 2025 for additional information.

**Note:** MCL 211.7u allows an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This includes the property owner who is filing for the exemption.

The application forms have been combined. Form 5739, *Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty*, has been retired. Form 5737, previously titled *Application for MCL 211.7u Poverty Exemption*, has been revised to incorporate content from Form 5739.

All poverty exemption applications for 2026 should use the revised Form 5737, *Application and Affirmation for MCL 211.7u for Poverty Exemption*.

C. Sales Studies