



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

**Bulletin 18 of 2023
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Procedural Changes for 2024**

TO: Assessing Officers and County Equalization Directors
FROM: Michigan State Tax Commission
SUBJECT: Procedural Changes for the 2024 Assessment Year

The purpose of this Bulletin is to provide information on statutory changes, procedural changes and reminders for the 2024 assessment year. Additional guidance may be issued later if any pending legislation is enacted by the end of the year.

A. Inflation Rate Used in the 2024 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2024 Capped Value Formula is 1.05.

The 2024 Capped Value Formula is as follows:

$$2024 \text{ CAPPED VALUE} = (2023 \text{ Taxable Value} - \text{LOSSES}) \times 1.05 + \text{ADDITIONS}$$

The formula includes 1.05 because the inflation rate multiplier of 1.051 is higher than 1.05.

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2024

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons shall not be set lower than \$24,860 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$24,860. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2024 assessments:

Size of Family Unit	Poverty Guidelines
1	\$14,580 \$21,870
2	\$19,720 \$29,580
3	\$24,860 \$37,290
4	\$30,000 \$45,000
5	\$35,140 \$52,710
6	\$40,280 \$60,420
7	\$45,420 \$68,130
8	\$50,560 \$75,840
For each additional person	\$5,140 \$ 7,710

150%
\$10,000 in Assets

Note: MCL 211.7u states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also 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 for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 3 of 2021 for more information on poverty exemptions.

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 owner of the property who is filing for the exemption.