



## Application for Exemption from Property Taxes

**Instructions:** File this application with copies of documents listed on page two (2) of this form. Property must be owned and used for the stated exemption purpose as of December 31 of the year prior to the year for which exemption is claimed. Application must be received by the Assessor's Office no later than January 31 of the year in which this exemption is being sought. Please see the last page.

REQUESTED EXEMPTION: \_\_\_\_\_ Property Type (check applicable): \_\_\_\_\_

Real Property Parcel Number(s) \_\_\_\_\_

Personal Property Parcel Number(s) \_\_\_\_\_

Property Location: \_\_\_\_\_

Current Use of Property: \_\_\_\_\_

Organization or Church: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone No: \_\_\_\_\_

Email Address: \_\_\_\_\_

TYPE OF EXEMPTION REQUESTED: (check applicable)

Library                       Charitable                       Educational                       Scientific

Religious                       Other (define) \_\_\_\_\_

Property tax law section (MCL) under which you are claiming exemption: \_\_\_\_\_

**(Note: Internal Revenue Code Sec. 501 (c) 3 is NOT a property tax exemption law, but rather deals with exemption from Federal Income Tax)**

### MICHIGAN TAX TRIBUNAL FOUR-PART TEST:

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1. The real estate or personal property must be owned, occupied, and used by the exemption claimant as of December 31<sup>st</sup> of each year.
2. The exemption claimant must be a library, charitable, educational, scientific, or religious institution.
3. The claimant must be incorporated under the laws of the State of Michigan or any other state in U.S.
4. The exemption only exists when the buildings or other property thereon are occupied by the claimant solely for the purpose for which it was incorporated, or as further limited by the applicable statute.

Our policies are set by State of Michigan law and court decisions, and not by the City Commission. These criteria will be used to determine your tax status. If you have any questions, please feel free to contact the City Assessor.

**Attach copies of the following documents with the application.**

Processing the exemption request application is facilitated by providing copies of as many of the following documents as possible. If unable to provide the documents, please state the reason why.

- 1) Articles of incorporation and all amendments, which should include the following information:
  - a. The names of directors of the corporation
  - b. Whether the applicant operates on a profit or non-profit status
  - c. The purpose of corporation
  - d. A copy of the articles of incorporation
  - e. Assumed name(s), if applicable, along with the name of governmental agency where the assumed name is recorded with
  - f. A copy of the annual non-profit corporation report or for organizations other than corporations, and the most recent balance sheet.
  
- 2) Exemption applicant entity's by-laws and constitution if these items exist.
  
- 3) Evidence of ownership of (or interest in) subject property
  - a. Transfer instrument to applicant; typically warranty deed or land contract
  - b. Lease
  
- 4) Internal Revenue Service Code 501(c)(3) status
  
- 5) Internal Revenue Service Code 990, 990n, 990ez
  
- 6) Governmental approval/certification (if applicable) to operate for stated purpose
  - a. IRS exemption determination for assessment years in question
  - b. State/County license if any
  - c. City approval form: Permits \_\_\_\_\_ License \_\_\_\_\_ Other \_\_\_\_\_
  - d. License from Attorney General to solicit or receive contributions
  
- 7) Budget documents for either
  - a. The operation of charitable, educational, religious organization
  - b. The operation of real estate and/or personal property for which exemption is sought.
  
- 8) Signed statement as to actual use(s). If more than one use exists, please state percentage each use is to a total 100%.
  
- 9) Inclusive list of **ALL** salaries, fees, payments, rent, repayments of loans, etc., as well as transfers, current or deferred, from the exemption applicant to its directors, officers, consultants, agents, and/or employees.
  
- 10) List of all clients served that are in any way related to: any director, officers, consultant, agent and/or employees of applicant. Please include an explanation of any above relationships.

ADDITIONAL INFORMATION: (answer all questions if question does not apply state n/a)

How will the property be occupied on December 31<sup>st</sup>?

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How was the property occupied on December 31<sup>st</sup> of the prior year?

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Is any part of this property rented or occupied by someone other than the exemption claimant?

- Yes
- No

If yes, list the names of tenants or occupants, and rent paid below:

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Reason(s) for the exemption of this property:

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What services are or will be provided at this location?

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List all the uses of this property and the percentage of each:

_____	_____	%
_____	_____	%
_____	_____	%
_____	_____	%
_____	_____	%
_____	_____	%
	Must Total 100%	%

Do you rent or lease any part of this property? \_\_\_\_\_  
If yes, please explain:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What are the criteria for receiving services from your organization?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What are the benefits your clients/customers receive?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

How does your organization receive payment for services?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What is the fee schedule for your services? Do you have a sliding fee schedule based on income?  
[Please attach copies of your fee schedule.]

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What happens if a person seeking your services has no way of paying?

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How do your services relieve the burden of government in providing like services?

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What other exempt property does your organization have located in the City of Kalamazoo?

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In the event of dissolution, to whom would the property revert?

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THIS APPLICATION IS FOR EXEMPTION BEGINNING WTH YEAR 20\_\_\_\_\_.

**THE INFORMATION ON THIS APPLICATION IS, TO THE BEST OF MY KNOWLEDGE AND JUDGEMENT, A TRUE AND CORRECT STATEMENT OF FACTS CONCERNING THE ABOVE DESCRIBED PROPERTY AND ITS USE**

**CERTIFICATION:**

I hereby certify the preceding statements are true and correct.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_ Phone \_\_\_\_\_

Email \_\_\_\_\_

Position with Organization or Church \_\_\_\_\_

**FILING REQUEST:**

For the Assessor to review your application for the next year's assessment roll, it must be filed no later than January 31. You will be notified in writing of the Assessor's decision and your appeal rights to the local Board of Review.

If you are unable to meet the January 31 deadline, you must file your application prior to the adjournment of the March Board of Review. This Board meets during the second week in March, each year. The Board can act on your exemption request and you are protecting your right to appeal their decision. You will be notified in writing of the Board's decision.

Mail or deliver your application to:

City of Kalamazoo  
Assessor's Office  
241 West South St  
Kalamazoo, MI 49007

If you need help or have questions, please call (269) 337-8636

## **City of Kalamazoo Guidelines for the Assessor's Review of Ad Valorem Property Tax Exemptions**

Pursuant the Michigan General Property Tax Law and the City of Kalamazoo Charter, the City Assessor is responsible for completing the annual assessment roll and determining the properties subject to taxation. As part of this duty, the City Assessor grants or denies exemption requests. In reviewing exemptions requests, the City Assessor considers Michigan law and court decisions.

### **PLEASE NOTE:**

1. An organization structured as a nonprofit organization does not automatically qualify for a property tax exemption.
2. An organization's income tax status does not affect or predetermine the taxable status of its property under the Michigan general property tax law.
3. The exemption claimant must meet criteria to be eligible for a property tax exemption under Michigan law.
4. While a 501(c)(3) ruling from the Internal Revenue Service may indicate an organization is charitable, religious, scientific, or educational, it does not by itself determine eligibility for a property tax exemption.
5. Property must be actively in use for the purpose stated as the reason for the exemption.

### **Application Process:**

1. Applicant files a request for exemption using the Property Tax Exemption Request form. Forms can be obtained by calling the City of Kalamazoo Assessor's Office at 269-337-8636 or by accessing the form from our web site at [www.kalamazoocity.org](http://www.kalamazoocity.org), search for "property tax exemption"
2. Applicant identifies the type of exemption being requested
  - a. Library
  - b. Charitable
  - c. Educational
  - d. Scientific
  - e. Religious
3. Applicant must own the property for which the applicant is requesting an exemption. Proof of ownership must be provided if the applicant is not shown as owner on the Assessor's current records. Proof of ownership includes a copy of a deed or land contract.
4. Applicant must attach a copy of its by-laws and articles of incorporation to the exemption request form.
5. Applicant must answer the questions on the form about how the property is occupied and used, the services provided, the criteria for receiving service, the benefits received, how the services are paid, and what happens to the property if the institution dissolves.

## **Exemption Review – Michigan Law and Court Decisions**

The Michigan Constitution provides for exemption of property owned and occupied by nonprofit religious or educational organizations and used for religious or educational purposes.

Michigan law provides for various exemptions for charitable, religious, educational, and scientific nonprofit organizations. Property tax exemptions are found in General Property Tax Law at 211.7 (real property) and 211.9 (personal property).

In addition to reviewing Michigan law, the City Assessor considers court decisions when determining eligibility for exemption. The following test is used to determine eligibility:

1. The real estate must be owned and occupied by the exemption claimant.
2. The exemption claimant must be a library, charitable, educational, or scientific, or religious institution.
3. The claimant must have been incorporated under the laws of this state or any other state in the U.S.
4. The exemption exists only when the building and the property it is on are occupied by the claimant solely for the purposes for which it was incorporation.

## **Consultation with City Attorney**

The City Attorney is available to both the Assessor and the Board of Review for advice and counsel about exemption issues.

## **Criteria for Exemption**

1. Does the applicant own the property for which the applicant is requesting an exemption?
  - Is the applicant requesting exemption for land and attached buildings or structures (real property)?
  - Is the applicant requesting an exemption for its furniture, fixtures, and equipment (personal property)?
2. Does the applicant physically use the property solely for the applicants incorporated purposes?
  - Does the applicant occupy a building on the property or the property vacant land?
  - If vacant land, how is the applicant occupying and using the land?
  - Is the land held for a future building site or for future development?
  - Does the actual use of the property match the purposes listed in the applicant's articles of incorporation?
  - Does the applicant occupy and use 100% of the property under consideration? If not, who occupies the remaining portion of the property?
3. Did the applicant legally occupy (having a physically use of or a regular presence on the property) for exempt purposes?
4. Is the applicant a nonprofit religious, charitable, educational, or scientific organization?
5. If the applicant is a nonprofit religious organization, is the property a church or parsonage?
  - If the property is a church, does the applicant hold regular religious services at the property that are open to the public without restriction or discrimination as to race, color, or creed?
  - If the property is a parsonage, does the applicant's ordained minister occupy and use the property as his/her personal residence?



6. If the applicant is a nonprofit charitable organization does the applicant benefit an indefinite number of persons either by:
  - Bringing their minds or hearts under the influence of education or religion?
  - Relieving their bodies from disease, suffering or constraint?
  - Assisting them to establish themselves for life?
  - Erecting or maintaining public buildings or works, or otherwise lessening the burdens of government?
7. If the applicant is a nonprofit charitable organization does the applicant provide a gift that benefits an indefinite number of persons?
  - Does the applicant provide its gift without restriction as to the ability to pay?
  - Does the applicant provide its gift without discrimination as to race, color, or creed?
8. If the applicant is a nonprofit educational organization, does the applicant fit into the general scheme of education provided by the state and supported by public taxation?
  - If the organization didn't exist would the burden on the state to provide an educational system be appreciably increased?
  - Do the applicant's activities sufficiently relieve the government's educational burden?
9. If the applicant is a nonprofit scientific organization, is the applicant's work done in the public interest?
  - Do the applicant's activities serve to advance knowledge?
  - Does the applicant's work substantially relieve the burden of government in producing scientific research or information?
10. Did the applicant clearly establish its right to an exemption? If the applicant didn't clearly establish its right, the Board must rule in favor of the taxing unit and deny the exemption.
11. Does the applicant qualify under Michigan law?
  - Real property exemptions are found in General Property Tax Law at 211.7.
  - Personal property exemptions are found in General Property Tax Law at 211.9.
12. Does the applicant qualify based on Michigan court decisions?

### **Notification and Appeal Process**

1. The Assessor sends a letter to the applicant letting the applicant know if the exemption was granted or denied. If denied, the letter includes a brief reason for the denial. The letter also includes instructions for appealing the decision.
2. Official assessment change notices are mailed no later than fourteen (14) days before the first day of appeals for the March Board of Review. If a property is no longer exempt, the change notice will show the current values and the appeal process.
3. Applicants must first appeal to the March Board of Review. For properties classified as commercial real or personal, industrial real or personal, developmental real, or utility personal the applicant may appeal directly to the Michigan Tax Tribunal by May 31<sup>st</sup>. Appeals can be done in person or by letter. Applicants must be prepared to support their request for exemption under Michigan law.
4. If the March Board of Review denies the exemption, the next step is an appeal to the Michigan Tax Tribunal. The deadline for filing an appeal is June 30<sup>th</sup> each year for residential and agricultural classed properties and May 31<sup>st</sup> for commercial, industrial, developmental, and utility classed properties.