

Qualified Forest Program Transitional Qualified Forest Fact Sheet

On June 28th, Governor Snyder signed into law Public Acts 260, 261, and 262 of 2016. These acts provide an opportunity for landowners to transfer Commercial Forest (CF) property into the Qualified Forest Program (QFP) without payment of a CF withdrawal penalty. This is accomplished by PA 260 of 2016, which creates the Transitional Qualified Forest Property specific tax act (TQF). The legislation also provides for a graduated return to ad valorem property taxes by allowing a five (5) year incremental return to full tax liability.

Here are the key provisions of 2016 Public Acts 260-262:

- Landowners must own the CF property they intend to transfer to TQF no later than September 1, 2016.
- The amount of acreage that can be transferred from CF to the TQF under waiver of the CF withdrawal penalty is capped at 160 acres per landowner, per township.
- The sunset on the legislation is September 1, 2021, meaning that landowners will have until September 1, 2021 to submit a complete application to transfer property from CF to the TQF under waiver of the CF withdrawal penalty.
- The tax liability for parcels covered by a Transitional Qualified Forest Affidavit (TQFA) is as follows:
 - For year one (1), Total taxes due x 0.2
 - For year two (2), Total taxes due x 0.4
 - For year three (3), Total taxes due x 0.6
 - For year four (4), Total taxes due x 0.8
 - For year five (5), Total taxes due x 1.0
- In the year after the TQF parcel reaches 100% tax liability, the TQFA will be removed and replaced by a Qualified Forest School Tax Affidavit, indicating that the parcel has completed the transition to QFP.
- TQF parcels receive the same school operating millage exemption, and pay the same 2 mill equivalent fee as those enrolled under the QFP.

If you need any additional information, please visit our website at www.michigan.gov/qfp, contact us at MDARD-QFP@michigan.gov, or call us at 517-284-5630.