



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

DATE: October 13, 2014
TO: Assessors and Equalization Directors
FROM: State Tax Commission
SUBJECT: Hydroponics Facilities

The State Tax Commission has recently reviewed sales of hydroponics production facilities. Hydroponics is a subset of hydroculture and is a method of growing plants using mineral nutrient solutions, in water, without soil. Hydroponics production facilities are indoor agricultural production operations using hydroponics techniques for growing plants produced by agriculture that are useful to human beings. These facilities are typically straight wall greenhouses. The Commissions review of these sales indicate that large hydroponic facilities, defined as greater than 1 million square feet, may suffer from economic obsolescence that would warrant an economic obsolescence adjustment up to 60%.