

Line-by-Line Instructions for Schedule CR-5 and MI-1040CR-5

Lines not listed are explained on the forms.

Schedule CR-5

Column A: Agreement number or contract number is found in the lower-right corner of each agreement. The first two numbers represent the county where the property is located. The middle set of numbers is the actual contract number. The last six numbers are the year of expiration, (i.e., 123111 is December 31, 2011). The contract number retains its original series throughout the term of the agreement. However, a letter may be added to indicate that the agreement was split into multiple agreements. The final six numbers change when the agreement is reduced or extended. Always use the contract number on your most recently recorded agreement and attach a copy of each 2011 tax statement that corresponds to the agreement number listed.

Column B: List the 2011 taxable value for each agreement that you owned in 2011. The taxable value is found on your property tax statement(s) for each parcel. The total taxable value for each agreement must be listed; do not list each individual parcel. You may also contact your local assessor for this information.

Note: If the property tax statement includes taxable value for land not covered by an FDRA, the taxable value reported in column B must be adjusted accordingly. The taxable value that cannot be claimed must be determined by the local assessor's office and submitted on his or her official letterhead.

If the property tax statement includes taxable value for land on more than one agreement, the taxable value reported in column B must be separated according to land in each agreement. The local assessor will be able to determine what the breakdown is based on the legal descriptions of the land enrolled under each agreement.

The entire taxable value for the agreement must be entered in column B even if you are eligible to claim only a portion of the property taxes because of joint ownership(s), partnership(s), or multiple shareholders.

Column C: For each agreement, check the "Yes" box if you attached paid tax receipts for 2010 or 2011. If paid receipts are not attached, check "No." If you do not check a box, your Farmland Preservation Tax Credit will be issued jointly to you and the treasurer for the county where the property is located.

Note: Copies of your 2011 property tax statements must be attached regardless of which box is checked in column C. If you e-file your MI-1040CR-5, the "Yes" or "No" box must indicate whether your 2010 or 2011 property taxes are paid and not whether they are attached to the return. E-filers do not send property tax statements unless requested to do so by Treasury at a later date. However, when e-filing, be sure to check the "Yes" box on Schedule CR-5, column C, when taxes have been paid.

Column D: Enter "I" if you are the individual owner or co-own the land with your spouse, "J" if you are a joint owner with someone other than your spouse, "P" if the land

is owned by a partnership, or "S" if the land is owned by an S corporation.

Column E: If the land is owned by you and someone other than your spouse, enter your percent of income from the signed statement or your percent of ownership based on the number of owners. If the land is owned by a partnership, enter your percent of income or ownership. All partners must use the same basis for filing. If the land is owned by an S corporation, enter your percent of stock ownership.

Column F: Individuals enter the taxes from each tax agreement for the portion of land enrolled under an agreement. **Joint owners, partners, and shareholders** enter only their allocated share of taxes from each tax statement for the portion of land enrolled under an agreement.

Note: If the property tax statement includes taxes for land not covered by an FDRA, the taxes reported in column F must be reduced accordingly. The amount of taxes that cannot be claimed must be determined by the local assessor's office and submitted on his or her official letterhead. The 1 percent collection fee may be included. Do not include penalties, interest, or special assessments.

If the property tax statement includes taxes for land on more than one agreement, the taxes reported in column F must be separated according to land in each agreement. The local assessor will be able to determine what the breakdown is based on the legal descriptions of the land enrolled under each agreement.

Column H: Multiply line 13 or 18 from the MI-1040CR-5, whichever applies, by the percentage computed in column G for each agreement and enter in column H.

MI-1040CR-5

Line 5: If all of the taxes which qualify for a Homestead Property Tax Credit are included in the total on line 4, check "Yes;" otherwise, check "No."

Before completing line 8, read "Computing the Homestead Property Tax Credit" on page 4.

Line 8: Enter your total household income from your MI-1040CR, MI-1040CR-2, or MI-1040CR-7. If you are a part-year or nonresident, include total 2011 household income, regardless of source.

Line 11: Enter amount of property tax from line 4. This line **must be completed.**

Line 15: If line 15 is less than line 7, carry amount from line 13 to Form MI-1040, line 25. If line 15 is greater than line 7, complete lines 16 through 18.

PART 2: If you own farmland jointly with someone other than your spouse, complete Part 2. For each agreement, enter the information for each owner.

Partners may use Part 2 to show percentage of income or ownership if no U.S. Form 1065 was required. All partners must sign.