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DEPARTMENT OF TREASURY  
LANSING

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**DATE:** June 11, 2019  
**TO:** Assessors and Equalization Directors  
**FROM:** State Tax Commission  
**SUBJECT:** Public Act 672 of 2018 Changes to the Qualified Forest Program

Public Act 672 of 2018 made changes to the Qualified Forest Program, MCL 211.7jj[1]. Changes to be aware of include: 1) removing the acreage cap of 640 acres per tax collecting unit; 2) clarifying new construction on an existing Qualified Forest Program parcel; and 3) requiring the 2 mill fee to be collected with the summer tax bills.

Of importance to assessors is the change in MCL 211.7jj[1](17)(d)(iii) which states that property is **not** converted by a change of use:

By the construction of a residence and related structures on not more than 1 acre of the property if the requirements of subdivision (k) are met as to the remainder of the property. For purposes of this subparagraph, the remainder of the property is that portion of it exclusive of 1 acre on which the residence and related structures are located, which is not eligible for the exemption under this section.

Assessors should be aware that the change in statute allows **new** construction of a residence and related structures on an existing Qualified Forest Program parcel without a change in use requiring a Land Division split to continue in the Qualified Forest Program.

The State Tax Commission's recommendation regarding **existing** structures or buildings contained in the April 8, 2014 memo remains valid. As stated in the April 8, 2014 memo, the State Tax Commission recommends that when dealing with Qualified Forest Properties with structures or buildings, assessors should establish separate parcel numbers for the land and separate parcel numbers for the buildings. This will allow for exemption of the land and proper taxation of the structures or buildings. Assessors are advised that one acre of land should be assigned to the parcel with the structures or buildings. This new parcel number for the buildings is for assessing and taxation purposes only and would not constitute a split of the parcel.

Additional information on the Qualified Forest Program is available from the Michigan Department of Agriculture and Rural Development at [www.michigan.gov/qfp](http://www.michigan.gov/qfp).