#### **Terms and Conditions**

- The QFP office will notify the landowner when a forest practice or timber harvest is scheduled to occur based upon the Forest Management Plan.
- Buildings and structures are allowed, but are not eligible for the school tax exemption.
- Enrolled landowners are required to pay an annual fee equivalent to two mills multiplied by the taxable value of the property.
- The property will be subject to a recapture tax if the landowner does not follow the management plan or if the land is converted by a change in use.





#### **Contacts**

Michigan Department of
Agriculture & Rural Development
P.O. Box 30017
Lansing, Michigan 48909

#### **Qualified Forest Program**

Phone: 517-284-5630 MDARD-QFP@michigan.gov www.michigan.gov/qfp



Combining farmland and forestland may make you eligible for a tax exemption

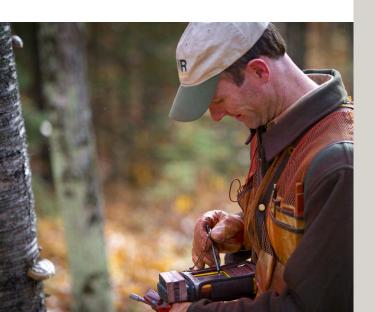


# What is the Qualified Forest Program?

Michigan's Qualified Forest Program (QFP) provides private forest landowners with a tax exemption from their school operating millage in exchange for sustainably and responsibly managing their forestland for wildlife and timber production.

## **New Combination Option**

Recent legislation (P.A. 107, of 2015) provides an opportunity for private landowners to enroll in the QFP using both agriculture use and forestland. In some cases, the number of acres in agriculture use is below 50% of a parcel's acreage and would not have been eligible for a school tax exemption. Landowners can now combine their agriculture use land and forestland in order to qualify for the QFP.





### **How to Qualify**

The combination of both agriculture use land and productive forests must meet the following acreage requirements to enroll:

- Each parcel identified by a unique tax parcel ID must be at least 20 acres in size.
- Parcels 20-39 acres must have at least 80% of the total acreage in a combination of agriculture use and forest use.
- Parcels 40 acres and larger (up to 640 acres per township) must have 50% or more of the total acreage in a combination of agriculture use and forest use.

### **Benefits of QFP Enrollment**

- Landowners of non-homestead properties receive an exemption from school operating millage.
- Purchaser of enrolled QFP land may file a Taxable Value Affidavit, which stops the "uncapping" of the taxable value on qualified land.
- Enrollees will see environmental benefits such as improved wildlife habitat and improved forest health.

# **Application Process**

Applicant will work with their local assessor to complete a Michigan Department of Treasury Form 5020 and submit the following items typical of a QFP application:

- QFP application form (Form 6)
- Completed MI Department of Treasury Form 5020
- A copy of the parcel's Forest Management Plan
- Forest Management Practice Schedule (Form 7)
- Copy of the most recent deed and/or land contract reflecting the current parcel ownership
- Copy of tax bill(s) for each parcel that the applicant wishes to enroll
- Application fee (\$50)

Upon approval, the applicant will receive an affidavit to sign, record, and provide to the assessor to receive the tax exemption. Completed applications must be received by Sept. 1 in order to qualify for the tax exemption in the next calendar year (See www.michigan.gov/QFP for more information).