

Qualified Forest Program

Questions and Answers for Assessors, Treasurers, and Equalization Offices

Q. I received a copy of a school tax affidavit for a parcel that does not currently receive the qualified forest exemption for school operation taxes. What should be done?

A. This affidavit is the result of a new application to enroll land into the Qualified Forest Program (QFP). Beginning in the 2014 tax year the parcel listed on the affidavit "is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211."

Q. I received a copy of a school tax affidavit for a parcel that currently receives the qualified forest exemption for school operation taxes. What should be done?

A. This affidavit is the result of a transfer from the old Qualified Forest Program to the new program. Therefore, the land is already subject to the exemption and nothing additional needs to be done.

Q. I received an affidavit based on a new application that contains a structure. I know that the buildings, structures, or land improvements located on QFP property are not eligible for an exemption. What should I do?

A. The Department of Treasury has indicated that the best approach would be to create a separate parcel ID for the parcel where the buildings, structures, or land improvements are located and have a separate parcel ID for the forested portion of the enrolled land.

Q. I understand that landowners participating in QFP will be charged a fee equivalent to 2 mills which will be collected by the local tax collecting authority. How will that occur and where will the funds be sent?

A. The section of the new statute that authorizes the collection of the fee reads as follows: "The fee shall be determined by multiplying 2 mills by the taxable value of that qualified forest property. The fee shall be collected at the same time and in the same manner as taxes collected under this act. Each local tax collecting unit shall disburse the fee collected under this subsection to the department of treasury for deposit in the private forestland enhancement fund..."

Within the month of February, each year, our office will send a listing of the parcels enrolled under the QFP in your community, indicating the name of the landowner, the parcel ID, and the legal description. Included with that list will be a voucher that should be used to disburse the fee to the state.

Q. Is a collection fee permitted to be collected by the local government for collecting the 2 mill equivalent fee?

A. The section of the tax code regarding the QFP indicates that "the fee collected in this subsection shall be subject to the property tax administration fee established by the local tax collecting unit under section 44." Typically, this fee collection would take place at the same time as the summer tax bill.