

QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT (EXCERPT)
Act 379 of 2006

211.1034 Recapture tax; rate.

Sec. 4. The recapture tax under this act shall be imposed at the following rate:

(a) Except as otherwise provided in subdivision (c), if the property is converted by a change in use and there have not been 1 or more harvests of forest products on that property consistent with the approved forest management plan, the recapture tax shall be calculated in the following manner:

(i) Multiply the property's taxable value at the time the property is converted by a change in use by the number of operating mills levied by the local school district in which the property is located under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, reduced by the number of mills collected as a fee for qualified forest property under section 7jj(9) of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(ii) Multiply the product of the calculation under subparagraph (i) by the number of years the property had been exempt as qualified forest property under section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1], before the property was converted by a change in use not to exceed the 7 years immediately preceding the year in which the qualified forest property was converted by a change in use.

(iii) Multiply the product of the calculation under subparagraph (ii) by 2.

(b) Except as otherwise provided in subdivision (c), if the property is converted by a change in use and there have been 1 or more harvests of forest products on that property consistent with the approved forest management plan, the recapture tax shall be calculated in the following manner:

(i) Multiply the property's taxable value at the time the property is converted by a change in use by the number of operating mills levied by the local school district in which the property is located under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, reduced by the number of mills collected as a fee for qualified forest property under section 7jj(9) of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(ii) Multiply the product of the calculation under subparagraph (i) by the number of years the property had been exempt as qualified forest property under section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1], before the property was converted by a change in use not to exceed the 7 years immediately preceding the year in which the qualified forest property was converted by a change in use.

(c) If the property was eligible for exemption under section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1], as a result of the withdrawal of that property from the operation of part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120, as provided in section 51108(5) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51108, and the property is converted by a change in use within 7 years after the withdrawal of that property from the operation of part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120, the recapture tax is an amount equal to the application fee and penalty that would have been assessed under section 51108 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51108, to withdraw that property from the operation of part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120, in the year in which the property is converted by a change of use, calculated as if the property had not been withdrawn from the operation of part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120. If the property is converted by a change in use more than 7 years after the withdrawal of that property from the operation of part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120, the recapture tax shall be calculated under subdivision (a) or (b), as applicable.

(d) In addition to the recapture tax calculated under subdivision (a), (b), or (c), if property is converted by a change in use and the taxable value of the property was not adjusted under section 27a(3) of the general property tax act, 1893 PA 206, MCL 211.27a, after a transfer of ownership of the property due to the provisions of section 27a(7)(o) of the general property tax act, 1893 PA 206, MCL 211.27a, the recapture tax shall include the benefit received on that property.

History: 2006, Act 379, Imd. Eff. Sept. 27, 2006;—Am. 2013, Act 49, Imd. Eff. June 6, 2013.