



# INSTRUCTIONS

## Overview

In addition to the Principal Residence Exemption from local school operating taxes, the legislature has passed a separate exemption for farmland. Some people may have to file this form in addition to their Principal Residence Exemption Affidavit. Read the instructions carefully to determine if you need to file this form.

## Do You Need To File?

If your property is already exempt as a principal residence, you do not need to file this form.

**If you own vacant land classified as agricultural, it is automatically exempt and you do not need to file a form to claim your exemption.** If you have a residence or other buildings on the property, your assessor may ask you to complete this form to determine if all the property qualifies.

If your property is not classified agricultural, but more than 50 percent of the acreage is devoted to an agricultural use, you must file this form by May 1, to claim your exemption.

## Qualifications

Only the owner can claim an exemption. **An owner** generally is the person who holds the legal title to the property. An owner includes the buyer on a land contract, the holder of a life lease and the grantor of property placed in a revocable trust or qualified personal residence trust (QPRT). An owner may be an individual, or a legal business entity of any type.

For property classified agricultural, qualified agricultural property is:

1. vacant land;
2. all farm-related structures;  
Farm-related buildings do not include those used for commercial storage, commercial processing, commercial distribution, commercial marketing, commercial shipping, or any other commercial or industrial use.
3. any residences on the property if they are occupied by a person who is employed in or who is actively involved in the farming operation and who has not filed a *Principal Residence Exemption Affidavit* (Form 2368) for another residence.

Property that is not classified as agricultural still qualifies for this exemption if more than 50 percent of the acreage is devoted to an agricultural use. "Agricultural use" means the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; maple syrup production; Christmas trees; and other similar uses and activities. Agricultural use includes use in a federal acreage set-aside program or a federal conservation reserve program. Agriculture use does not include the management and harvesting of a woodlot.

Property not classified agricultural that is used for agricultural purposes is subject to the same limitations as property classified agricultural (see 1-3).

## Section 1. Identification

**File a separate claim for each qualified parcel.**

Complete all items for the property that you wish to claim. If the farmland is located in a village, list the township where the farmland is located.

Every township and city identifies parcels of property with a **property identification number** (PIN) that ranges from 10 to 25 numbers. It usually includes hyphens and sometimes includes letters. This number is on your tax bill and on your property tax assessment notice. Find this number and enter it in the spaces indicated. If you cannot find this number, call your township or city assessor.

**Your property number is vital!  
Without it your township or city cannot adjust  
your property taxes accurately.**

## Section 2. Farmland

Answer each question in section 2 as it relates to the parcel identified by the PIN in section 1.

**Item 2a:** If you answer "no," your property does not qualify and you do not need to file this form.

**Items 2b - 2d:** If you answer "yes" to any of these questions, you must enter a percentage in section 3.

## Section 3. Multi-purpose Property

You may claim an exemption only for the portion of taxes related to the property used for agricultural purposes.

Compute your percentage as follows.

$$\frac{\text{Value of qualified agricultural property}}{\text{Value of total property}} \times 100$$

Your local assessor can help you determine the percentage that qualifies.

## Appeals

Your local assessor has the authority to approve or deny claims for farmland (Qualified Agricultural) exemptions. If you disagree with your assessor, you may appeal the decision to the local board of review. A board of review decision may be appealed to the Michigan Tax Tribunal.

## Interest and Penalty

If it is determined that you made a claim for property that is not qualified agricultural lands, you will be subject to the additional tax plus interest, and possibly penalty, as provided by law.

## Mailing Your Form

Mail each completed form to the township or city where the property is located.