

## Michigan Farmland Tax Assessments and Public Act 116

- Michigan farmland assessments are higher than any other Midwestern state
- Most Midwestern states assess farmland based upon current land use. Michigan assesses upon potential market value
- Without PA 116 tax refunds, participating Michigan farmers would simply not be competitive in many areas of the state. PA 116 levels the playing field while holding local units of government harmless.
- With approximately \$ 1 billion in annual tax abatements for all industry in Michigan, \$35.9 million was returned to Michigan landowners in 2009 under the PA 116 program.
- Under PA 116, agricultural landowners pay normal property taxes, and then are reimbursed by the State for any property tax liability over 3.5% of household income. Therefore PA 116 is a reasonable benefit for working farms while not rewarding speculative land holders who may have much larger personal incomes.
- Food production is Michigan's second largest industry, with \$81 billion generated from the farm supplier through the food retailer, employing approximately one million persons. Production agriculture, with land as the primary resource, is the linchpin of the State's entire food economy.