

Legislative Analysis



TAX EXEMPTION FOR PERSONAL PROPERTY USED IN MAPLE SYRUP PRODUCTION

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House Bill 6401 without amendment
Sponsor: Rep. Gabe Leland
Committee: Agriculture

Complete to 9-15-08

A SUMMARY OF HOUSE BILL 6401 AS REPORTED FROM COMMITTEE

The bill would amend the General Property Tax Act to include maple syrup production in the definition of "agricultural operations" in the section of the act that exempts personal property used in agricultural operations from property taxes. Under the bill, property used for maple syrup production qualifies for this tax treatment only if the property owner's annual gross wholesale sales total \$25,000 or less.

[Other bills related to maple syrup production are currently on the House floor. See the summary of House Bills 5677-5680, dated 4-15-08.]

MCL 211.9

FISCAL IMPACT:

It appears that the bill would exempt equipment used to produce maple syrup from the personal property tax for producers with annual sales of \$25,000 or less. With respect to the loss of personal property taxes, the state would lose the 6-mill State Education (SET) levy, local schools would lose the 18-mill non-homestead levy, and local units of government (including counties) would lose generating operating, police, fire, etc. levies. Because the School Aid Fund (SAF) provides the difference between the amount of revenue collected for schools and the foundation allowance, the SAF would have to offset this loss of revenue.

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