



Dear Michigan Greenhouse Grower:

This is critical information to share with you regarding a recent sales/use tax collection change affecting our industry. A Sales and Use Tax Michigan Revenue Administrative Bulletin No. 2016-4 (RAB) was created on 2/1/2016. This bulletin states why Michigan Treasury has determined they can charge a Sales/Use Tax on Real Property, particularly on greenhouses. Treasury is sending out audit notices and can apply this sales/use tax 4 (four) years retroactively.

This aggressive tax audit on Michigan greenhouses is a new interpretation of the law. It is alarming to calculate the tax totals greenhouse operations will be charged for real property and anything attached to real property. The focus on greenhouse operations is an inequitable application of the misinterpreted Michigan tax law.

Agriculture in Michigan has always operated under tax exemption - until Treasury's recent interpretation. Greenhouses, according to the Department of Treasury, must now pay a 6% sales/use tax on buildings used for production, heating/cooling equipment attached to such buildings/greenhouses, water equipment that is delivered thru attached apparatus, and much more. Horticulture production along with all other agricultural operations, in our opinion, is exempt from both sales and use tax under current Michigan law.

This application has a catastrophic economic impact on Michigan greenhouse operations! The Michigan Greenhouse Growers Council is in the process of vigorously fighting this new interpretation.

The MGGC Board of Directors are working rapidly with the Governor's office, legislature and Representative Roger Victory to find a resolution to stop the 6% sales/use tax on greenhouses. This is a catastrophic financial tax that the Michigan Treasury has determined to place on the agriculture/greenhouse industry. We cannot let this happen. This is the purpose of our organization – to band together for the good of the industry and have a large, impactful voice when negativity arises against our industry.

1. If you have been audited or received an audit notice from the Michigan Treasury – please contact Val via email or phone. val@julianvail.com or 517-367-2033. **DO NOT MAKE** any payments to Michigan Treasury currently on sales/use tax. Seeking reimbursement will be the greatest challenge.

2. This is the link to the Bulletin that treasury created and sites as their authority to tax greenhouses. http://www.michigan.gov/documents/treasury/RAB2016-4_513222_7.pdf

3. This is the link to the draft legislation (S-3) that has agreed upon language to remedy this issue. [http://www.legislature.mi.gov/\(S\(fbr2vwleqhv0avkfpnnekej\)\)/mileg.aspx?page=getObject&objectName=2017-HB-4561](http://www.legislature.mi.gov/(S(fbr2vwleqhv0avkfpnnekej))/mileg.aspx?page=getObject&objectName=2017-HB-4561)

4. Senate Agriculture Committee Chair, Senator Hune has indicated he will hear HB 4561 in the near future at one of his Thursday, 8:30 am committee hearings.

Action item for this week:

Contact members of the Senate Agriculture Committee and ask them to support HB 4561 and the Greenhouse/Agriculture Industry.

Senate Agriculture Committee: <http://www.senate.michigan.gov/committee/agriculture.html>

Senator Joe Hune, Chairman: 571-373-242

Senator Mike Green, Vice-Chair: 517-373-1777

Senator Wayne Schmidt: 517-373-7315

Senator Darwin Booher: 517-373-1725

Senator Jim Ananich, Minority Chair: 517-373-0142

We plan to keep you informed, but please feel free to contact Val (MGGC Executive Director) with any questions. Please contact the Michigan Greenhouse Growers Council at 517-367-2033 to let us know if you are under audit or have been contacted by Michigan Treasury to schedule an audit.



Bill Tuinier, President

Inspection Fee Increase
Notification 2017-11-22

In Memorial
Jim Krone

[Treasury Warns Taxpayers of
Fraudulent Phone Calls](#)

Take action & prevent substrate compaction

How growers can start off the 2018 growing season on the right foot.

By: W. Garrett Owen

Featured in Greenhouse Magazine January 2018

<http://www.greenhousemag.com/article/take-action-prevent-substrate-compaction/>

We salute our growers who continue to contribute yearly to the beauty of Michigan's 1st home.

2018 Salute to Andy Mast Greenhouses



Governor Rick Snyder, Dave Mast, Daniel Mast and Mrs. Snyder

Growing poinsettias helps Michigan family cope with tragic loss

By John Counts, mLIVE

YPSILANTI TOWNSHIP, MI - The inside of Pinter's Flowerland Greenhouse is a waving sea of red this time of year. Thousands of potted poinsettias rest on tables throughout several acres of greenhouses on the family property in Ypsilanti Township...

http://www.mlive.com/news/ann-arbor/index.ssf/2017/12/family_finds_purpose_in_poinse.html

2018 MGGC Board of Directors

President Bill Tuinier, Post Gardens

Vice-President Dave Mast, Andy Mast Greenhouses

Secretary-Treasurer Dennis Crum, Four Star Greenhouses

Member Susie Raker Zimmerman, Raker-Roberts's Young Plants

Member Ken Tuinier, Tuinier Brothers Greenhouse

Member Kevin Sportel, Sportel Greenhouses

Member Lisa Ambrosio, Wenke Greenhouses

WMGA Member Gord Berkenpas, Green Dorr Greenhouse

MDFG Member – Open

Allied Trade Member Mike Fassbender, Action Mold

Allied Trade Member Bob Froelich, Bayer Ornamental

Education Member Heidi Lindberg, MSUE



MAEAP Certified Members

Great Lakes Greenhouses * Greendorr Greenhouses * John Theisen Farm * Kalamazoo Specialty Plants, LLC * Ken's Greenhouse * Klooster Greenhouses * Micandy Gardens * Tom's Greenhouse * Westrate Greenhouse, Inc.



Michigan Greenhouse Growers Council
P.O. Box 278
Bath, Michigan 48808