



SENATE BILL No. 1142

May 5, 1994, Introduced by Senators CARL, CISKY and
EMMONS and referred to the Committee on Finance

A bill to amend sections 3, 6, and 7 of Act No 330 of the
Public Acts of 1993, entitled
"State real estate transfer tax act,"
being sections 207 523, 207 526, and 207 527 of the Michigan
Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 3, 6, and 7 of Act No 330 of the
2 Public Acts of 1993, being sections 207 523, 207 526, and 207 527
3 of the Michigan Compiled Laws, are amended to read as follows
4 Sec 3 (1) There is imposed, in addition to all other
5 taxes, a tax upon the following written instruments executed
6 within this state when the instrument is recorded
7 (a) Contracts for the sale or exchange of property or any
8 interest in the property or any combination of sales or exchanges

1 or any assignment or transfer of property or any interest in the
2 property INCLUDING LAND CONTRACTS

3 (b) Deeds or instruments of conveyance of property or any
4 interest in property, for consideration

5 (2) The person who is the seller or grantor of the property
6 is liable for the tax imposed under this act

7 Sec 6 The following written instruments and transfers of
8 property are exempt from the tax imposed by this act

9 (a) A written instrument in which the value of the consider-
10 ation for the property is less than ~~-\$100-00-~~ \$250 00

11 (b) A written instrument evidencing a contract or transfer
12 that is not to be performed wholly within this state only to the
13 extent the written instrument includes land lying outside of this
14 state

15 (c) A written instrument that this state is prohibited from
16 taxing under the United States constitution or federal statutes

17 (d) A written instrument given as security or an assignment
18 or discharge of the security interest

19 (e) A written instrument evidencing a lease, including an
20 oil and gas lease, or a transfer of a leasehold interest

21 (f) A written instrument evidencing an interest that is
22 assessable as personal property

23 (g) A written instrument evidencing the transfer of a right
24 and interest for underground gas storage purposes

25 (h) Any of the following written instruments

26 (1) A written instrument in which the grantor is the United
27 States, this state, a political subdivision or municipality of

1 this state, or an officer of the United States or of this state,
2 or a political subdivision or municipality of this state acting
3 in his or her official capacity

4 (11) A written instrument given in foreclosure or in lieu of
5 foreclosure of a loan made, guaranteed, or insured by the United
6 States, this state, a political subdivision or municipality of
7 this state, or an officer of the United States or of this state,
8 or a political subdivision or municipality of this state acting
9 in his or her official capacity

10 (111) A written instrument given to the United States, this
11 state or 1 of their officers acting in an official capacity as
12 grantee, pursuant to the terms or guarantee or insurance of a
13 loan guaranteed or insured by the grantee

14 (1) A conveyance from a husband or wife or husband and wife
15 creating or disjoining a tenancy by the entirety in the grant-
16 ors or the grantor and his or her spouse

17 (j) A judgment or order of a court of record making or
18 ordering a transfer, unless a specific monetary consideration is
19 specified or ordered by the court for the transfer

20 (k) A written instrument used to straighten boundary lines
21 if no monetary consideration is given

22 (l) A written instrument to confirm title already vested in
23 a grantee, including a quitclaim deed to correct a flaw in
24 title

25 (m) A land contract in which the legal title does not pass
26 to the grantee until the total consideration specified in the
27 contract has been paid

1 (n) A written instrument evidencing the transfer of mineral
2 rights and interests

3 (o) A written instrument creating a joint tenancy between 2
4 or more persons if at least 1 of the persons already owns the
5 property

6 (p) A transfer made pursuant to a bona fide sales agreement
7 made before ~~the date of enactment of this act~~ DECEMBER 31, 1993
8 if the sales agreement cannot be withdrawn or altered, or con-
9 tains a fixed price not subject to change or modification
10 However, a sales agreement for residential construction may be
11 adjusted up to 15% to reflect changes in construction
12 specifications

13 (q) A written instrument evidencing a contract or transfer
14 of property to a person sufficiently related to the transferor to
15 be considered a single employer with the transferor under
16 section 414(b) or (c) of the internal revenue code of 1986, as
17 amended

18 Sec 7 A tax is not imposed by this act upon a written
19 instrument that conveys or transfers property or an interest in
20 the property to a receiver, administrator, or trustee, whether
21 special or general, in a bankruptcy or insolvency proceeding
22 HOWEVER, WHEN PROPERTY IS TRANSFERRED FROM A RECEIVER, ADMINIS-
23 TRATOR, OR TRUSTEE, WHETHER SPECIAL OR GENERAL, IN A BANKRUPTCY
24 OR INSOLVENCY PROCEEDING TO A PERSON, THAT TRANSFER IS SUBJECT TO
25 THE TAX IMPOSED UNDER THIS ACT