

# HOUSE BILL No. 6278

September 17, 2002, Introduced by Reps. Birkholz, Cassis, Newell, Palmer, Woronchak, Voorhees, Vander Veen, Richardville, Ehardt, Cameron Brown, Meyer, Van Woerkom, Rocca, Caul, Pappageorge, DeRossett and Kooiman and referred to the Committee on Tax Policy.

A bill to amend 1993 PA 330, entitled  
"State real estate transfer tax act,"  
by amending section 6 (MCL 207.526), as amended by 2000 PA 203.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 6. The following written instruments and transfers of  
2 property are exempt from the tax imposed by this act:

3       (a) A written instrument in which the value of the consider-  
4 ation for the property is less than \$100.00.

5       (b) A written instrument evidencing a contract or transfer  
6 that is not to be performed wholly within this state only to the  
7 extent the written instrument includes land lying outside of this  
8 state.

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

1 (d) A written instrument given as security or an assignment  
2 or discharge of the security interest.

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

5 (f) A written instrument evidencing an interest that is  
6 assessable as personal property.

7 (g) A written instrument evidencing the transfer of a right  
8 and interest for underground gas storage purposes.

9 (h) Any of the following written instruments:

10 (i) A written instrument in which the grantor is the United  
11 States, this state, a political subdivision or municipality of  
12 this state, or an officer of the United States or of this state,  
13 or a political subdivision or municipality of this state, acting  
14 in his or her official capacity.

15 (ii) A written instrument given in foreclosure or in lieu of  
16 foreclosure of a loan made, guaranteed, or insured by the United  
17 States, this state, a political subdivision or municipality of  
18 this state, or an officer of the United States or of this state,  
19 or a political subdivision or municipality of this state, acting  
20 in his or her official capacity.

21 (iii) A written instrument given to the United States, this  
22 state, or 1 of their officers acting in an official capacity as  
23 grantee, pursuant to the terms or guarantee or insurance of a  
24 loan guaranteed or insured by the grantee.

25 (i) A conveyance from a husband or wife or husband and wife  
26 creating or disjoining a tenancy by the entireties in the  
27 grantors or the grantor and his or her spouse.

(j) A conveyance from an individual to that individual's child, stepchild, or adopted child.

(k) A conveyance from an individual to that individual's grandchild, step-grandchild, or adopted grandchild.

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

(m) A written instrument used to straighten boundary lines if no monetary consideration is given.

(n) A written instrument to confirm title already vested in a grantee, including a quitclaim deed to correct a flaw in title.

(o) A land contract in which the legal title does not pass to the grantee until the total consideration specified in the contract has been paid.

(p) A written instrument evidencing the transfer of mineral rights and interests.

(q) A written instrument creating a joint tenancy between 2 or more persons if at least 1 of the persons already owns the property.

(r) A transfer made pursuant to a bona fide sales agreement made before the date the tax is imposed under sections 3 and 4, if the sales agreement cannot be withdrawn or altered, or contains a fixed price not subject to change or modification. However, a sales agreement for residential construction may be adjusted up to 15% to reflect changes in construction specifications.

(s) A written instrument evidencing a contract or transfer of property to a person sufficiently related to the transferor to be considered a single employer with the transferor under section 414(b) or (c) of the internal revenue code of 1986, 26 U.S.C. 414.

(t) A written instrument conveying an interest in ~~homestead~~ property for which ~~a homestead~~ AN exemption is claimed under section 7cc of the general property tax act, 1893 PA 206, MCL 211.7cc, if the state equalized valuation of that ~~homestead~~ property is equal to or lesser than the state equalized valuation on the date of purchase or on the date of acquisition by the seller or transferor for that same interest in property. If after an exemption is claimed under this subsection, the sale or transfer of ~~homestead~~ property is found by the treasurer to be at a value other than the true cash value, then a penalty equal to 20% of the tax shall be assessed in addition to the tax due under this act to the seller or transferor.

(u) A written instrument transferring an interest in property pursuant to a foreclosure of a mortgage including a written instrument given in lieu of foreclosure of a mortgage. This exemption does not apply to a subsequent transfer of the foreclosed property by the entity that foreclosed on the mortgage.

(v) A written instrument conveying an interest from a religious society in property exempt from the collection of taxes under section 7s of the general property tax act, 1893 PA 206, MCL 211.7s, to a religious society if that property continues to

1 be exempt from the collection of taxes under section 7s of the  
2 general property tax act, 1893 PA 206, MCL 211.7s.

3 Enacting section 1. This amendatory act does not take  
4 effect unless Senate Bill No. \_\_\_\_\_ or House Bill No. 6283  
5 (request no. 07067'02) of the 91st Legislature is enacted into  
6 law.