

# HOUSE BILL No. 6281

September 29, 2004, Introduced by Rep. Kolb and referred to the Committee on Tax Policy.

A bill to amend 1993 PA 330, entitled  
"State real estate transfer tax act,"  
by amending sections 2, 5, and 11 (MCL 207.522, 207.525, and  
207.531), section 5 as amended by 1994 PA 224.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. As used in this act:

2       (a) "Luxury residential real property" means property that is  
3       classified as residential real property under section 34c of the  
4       general property tax act, 1893 PA 206, MCL 211.34c, is a  
5       single-family residence, and has a value of \$2,000,000.00 or  
6       more.

7       (b) ~~—(a)—~~ "Person" means an individual, partnership,  
8       corporation, limited liability company, association, governmental  
9       entity, or other legal entity. If used in a penalty clause,  
10      person includes the partners or members of a firm, a partnership,

1 or an association and the officers of a corporation.

2       (c) ~~-(b)-~~ "Property" includes land, tenements, real estate,  
3 and real property and all rights to and interests in land,  
4 tenements, real estate, or real property.

5       (d) ~~-(e)-~~ "Tax" means the state real estate transfer tax  
6 imposed under this act.

7       (e) ~~-(d)-~~ "Treasurer" means the state treasurer.

8       (f) ~~-(e)-~~ "Value" means the current or fair market worth in  
9 terms of legal monetary exchange at the time of the transfer.

10       Sec. 5. (1) ~~Beginning on January 1, 1995, except~~ **Except**  
11 as otherwise provided in this section, the tax imposed under  
12 sections 3 and 4 is levied **as follows:**

13       (a) **For property other than luxury residential real**  
14 **property,** at the rate of \$3.75 for each \$500.00 or fraction of  
15 \$500.00 of the total value of the property being transferred.

16       (b) **For luxury residential real property, at the rate of**  
17 **\$8.75 for each \$500.00 or fraction of \$500.00 of the total value**  
18 **of the property being transferred.**

19       (2) A written instrument subject to the tax imposed by this  
20 act shall state on its face the total value of the real property  
21 being transferred unless an affidavit is attached to the written  
22 instrument declaring the total value of the real property being  
23 transferred. The form of the affidavit shall be prescribed by  
24 the department of treasury. If the sale or transfer is of a  
25 combination of real and personal property, the tax shall be  
26 imposed only upon the transfer of the real property if the values  
27 of the real and personal property are stated separately on the

1 face of the written instrument or if an affidavit is attached to  
2 the written instrument setting forth the respective values of the  
3 real and personal property.

4       Sec. 11. The treasurer shall credit the proceeds of the tax  
5 collected by county treasurers under this act to the state  
6 treasury **as follows:**

7       **(a) For the tax described in section 5(1)(a),** to the credit  
8 of the state school aid fund established in section 11 of article  
9 IX of the state constitution of 1963.

10       **(b) For the tax described in section 5(1)(b), as follows:**

11       **(i) Forty-three percent to the credit of the state school**  
12 **aid fund established in section 11 of article IX of the state**  
13 **constitution of 1963.**

14       **(ii) Fifty-seven percent to a restricted account in the**  
15 **general fund to be used only for farmland preservation and**  
16 **measures that prevent urban sprawl.**