

# HOUSE BILL No. 5411

November 8, 2005, Introduced by Reps. Gaffney, Mortimer, Vander Veen, Hune and Ward  
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 2003 PA 128.

## 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  
4 consideration 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

1   taxing under the United States constitution or federal statutes.

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

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

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

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

10          (h) Any of the following written instruments:

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

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

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

26           (i) A conveyance from a husband or wife or husband and wife  
27   creating or disjoining a tenancy by the entirety in the grantors

1 or the grantor and his or her spouse.

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

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

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

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

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

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

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

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

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

27 (s) A written instrument evidencing a contract or transfer of

1 property to a person sufficiently related to the transferor to be  
2 considered a single employer with the transferor under section  
3 414(b) or (c) of the internal revenue code, ~~of 1986, 26 U.S.C.~~ 26  
4 USC 414.

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

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

21 (v) A written instrument conveying an interest from a  
22 religious society in property exempt from the collection of taxes  
23 under section 7s of the general property tax act, 1893 PA 206, MCL  
24 211.7s, to a religious society if that property continues to be  
25 exempt from the collection of taxes under section 7s of the general  
26 property tax act, 1893 PA 206, MCL 211.7s.

27 **(W) A CONVEYANCE FROM AN INDIVIDUAL TO THAT INDIVIDUAL'S**

1 PARENT, STEPPARENT, OR ADOPTIVE PARENT.