

HOUSE BILL No. 6318

July 23, 2008, Introduced by Rep. Miller 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
10 taxing under the United States constitution or federal statutes.

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

3 (e) A written instrument evidencing a lease, including an oil
4 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 this
12 state, or an officer of the United States or of this state, or a
13 political subdivision or municipality of this state, acting in his
14 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 this
18 state, or an officer of the United States or of this state, or a
19 political subdivision or municipality of this state, acting in his
20 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 loan
24 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 grantors
27 or the grantor and his or her spouse.

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

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

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

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

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

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

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

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

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22 the sales agreement cannot be withdrawn or altered, or contains a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

26 (s) A written instrument evidencing a contract or transfer of
27 property to a person sufficiently related to the transferor to be

1 considered a single employer with the transferor under section
2 414(b) or (c) of the internal revenue code of 1986, 26 ~~U.S.C.~~ **USC**
3 414.

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

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

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

26 **(W) A WRITTEN INSTRUMENT TRANSFERRING AN INTEREST IN PROPERTY**
27 **THAT MEETS ALL THE FOLLOWING:**

1 (i) THE PROPERTY CONTAINS A NEWLY CONSTRUCTED RESIDENTIAL
2 DWELLING.

3 (ii) THE PROPERTY IS CLASSIFIED AS RESIDENTIAL REAL PROPERTY
4 UNDER SECTION 34C OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL
5 211.34C.

6 (iii) THE PROPERTY OR ANY PORTION OF THE PROPERTY HAS NOT
7 PREVIOUSLY RECEIVED AN EXEMPTION UNDER THIS SUBDIVISION.