

Act No. 172  
Public Acts of 2018  
Approved by the Governor  
June 11, 2018  
Filed with the Secretary of State  
June 11, 2018  
EFFECTIVE DATE: June 11, 2018

**STATE OF MICHIGAN  
99TH LEGISLATURE  
REGULAR SESSION OF 2018**

**Introduced by Reps. Maturen, Lucido, Iden, Sheppard, Crawford, Hughes, Glenn, Griffin and Hoytenga**

# **ENROLLED HOUSE BILL No. 4643**

AN ACT to amend 1993 PA 330, entitled "An act to impose a state tax on the transfer of an interest in real property; to provide for the administration of this act; to prescribe the powers and duties of certain state and local officers; to provide for the collection and distribution of the tax; and to prescribe penalties and provide remedies," by amending section 6 (MCL 207.526), as amended by 2015 PA 217.

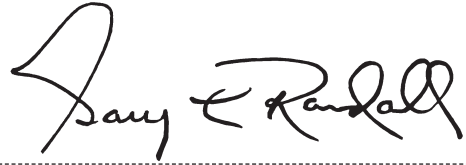
*The People of the State of Michigan enact:*

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

- (a) A written instrument in which the value of the consideration for the property is less than \$100.00.
- (b) A written instrument evidencing a contract or transfer that is not to be performed wholly within this state only to the extent the written instrument includes land lying outside of this state.
- (c) A written instrument that this state is prohibited from taxing under the United States Constitution or federal statutes.
- (d) A written instrument given as security or an assignment or discharge of the security interest.
- (e) A written instrument evidencing a lease, including an oil and gas lease, or a transfer of a leasehold interest.
- (f) A written instrument evidencing an interest that is assessable as personal property.
- (g) A written instrument evidencing the transfer of a right and interest for underground gas storage purposes.
- (h) Any of the following written instruments:
  - (i) A written instrument in which the grantor is the United States, this state, a political subdivision or municipality of this state, or an officer of the United States or of this state, or a political subdivision or municipality of this state, acting in his or her official capacity.
  - (ii) A written instrument given in foreclosure or in lieu of foreclosure of a loan made, guaranteed, or insured by the United States, this state, a political subdivision or municipality of this state, or an officer of the United States or of this state, or a political subdivision or municipality of this state, acting in his or her official capacity.
  - (iii) A written instrument given to the United States, this state, or 1 of their officers acting in an official capacity as grantee, pursuant to the terms or guarantee or insurance of a loan guaranteed or insured by the grantee.

- (i) A conveyance from a spouse or married couple creating or disjoining a tenancy by the entireties in the 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 conveyance that meets 1 of the following:
  - (i) A transfer between any corporation and its stockholders or creditors, between any limited liability company and its members or creditors, between any partnership and its partners or creditors, or between a trust and its beneficiaries or creditors when the transfer is to effectuate a dissolution of the corporation, limited liability company, partnership, or trust and it is necessary to transfer the title of real property from the entity to the stockholders, members, partners, beneficiaries, or creditors.
  - (ii) A transfer between any limited liability company and its members if the ownership interests in the limited liability company are held by the same persons and in the same proportion as in the limited liability company prior to the transfer.
  - (iii) A transfer between any partnership and its partners if the ownership interests in the partnership are held by the same persons and in the same proportion as in the partnership prior to the transfer.
  - (iv) A transfer of a controlling interest in an entity with an interest in real property if the transfer of the real property would qualify for exemption if the transfer had been accomplished by deed to the real property between the persons that were parties to the transfer of the controlling interest.
  - (v) A transfer in connection with the reorganization of an entity and the beneficial ownership is not changed.
  - (q) A written instrument evidencing the transfer of mineral rights and interests.
  - (r) A written instrument creating a joint tenancy between 2 or more persons if at least 1 of the persons already owns the property.
  - (s) 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.
  - (t) 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 USC 414.
  - (u) A written instrument conveying an interest in property for which an exemption is claimed by the seller or transferor under section 7cc of the general property tax act, 1893 PA 206, MCL 211.7cc, if the state equalized valuation of that property is equal to or lesser than the state equalized valuation determined as of the first tax day after the issuance of a certificate of occupancy for the residence, or the date of acquisition of the property, whichever comes later, by the seller or transferor for that same interest in property and the transaction was for a price at which a willing buyer and a willing seller would arrive through an arms-length negotiation. Notwithstanding section 22 of 1941 PA 122, MCL 205.22, and section 3(4) of this act, if the seller or the buyer who has paid the tax on behalf of the seller believes that the property was eligible for an exemption under this subdivision at the time of transfer, the seller or the buyer who has paid the tax on behalf of the seller may request a refund from the department in a form and manner determined by the department. This subdivision is retroactive and applies to a sale, exchange, assignment, or transfer beginning 4 years immediately preceding the effective date of the amendatory act that amended this sentence subject to the statute of limitations period provided in section 27a of 1941 PA 122, MCL 205.27a. A taxpayer that claimed a refund under this subdivision prior to the effective date of the amendatory act that added this sentence and whose refund was denied and not appealed in accordance with section 21 or 22 of 1941 PA 122, MCL 205.21 and 205.22, may claim a refund under this subdivision notwithstanding section 22 of 1941 PA 122, MCL 205.22.
  - (v) 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.
  - (w) 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 be exempt from the collection of taxes under section 7s of the general property tax act, 1893 PA 206, MCL 211.7s.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor