

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4643**

A bill to amend 1993 PA 330, entitled  
"State real estate transfer tax act,"  
by amending section 6 (MCL 207.526), as amended by 2015 PA 217.

**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~~ **CONSTITUTION** or federal  
2 statutes.

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

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

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

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

11 (h) Any of the following written instruments:

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

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

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

27 (i) A conveyance from a spouse or married couple creating or

1 disjoining a tenancy by the entireties in the grantors or the  
2 grantor and his or her spouse.

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

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

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

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

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

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

17 (p) A conveyance that meets 1 of the following:

18 (i) A transfer between any corporation and its stockholders or  
19 creditors, between any limited liability company and its members or  
20 creditors, between any partnership and its partners or creditors,  
21 or between a trust and its beneficiaries or creditors when the  
22 transfer is to effectuate a dissolution of the corporation, limited  
23 liability company, partnership, or trust and it is necessary to  
24 transfer the title of real property from the entity to the  
25 stockholders, members, partners, beneficiaries, or creditors.

26 (ii) A transfer between any limited liability company and its  
27 members if the ownership interests in the limited liability company

1 are held by the same persons and in the same proportion as in the  
2 limited liability company prior to the transfer.

3 (iii) A transfer between any partnership and its partners if  
4 the ownership interests in the partnership are held by the same  
5 persons and in the same proportion as in the partnership prior to  
6 the transfer.

7 (iv) A transfer of a controlling interest in an entity with an  
8 interest in real property if the transfer of the real property  
9 would qualify for exemption if the transfer had been accomplished  
10 by deed to the real property between the persons that were parties  
11 to the transfer of the controlling interest.

12 (v) A transfer in connection with the reorganization of an  
13 entity and the beneficial ownership is not changed.

14 (q) A written instrument evidencing the transfer of mineral  
15 rights and interests.

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

19 (s) A transfer made pursuant to a bona fide sales agreement  
20 made before the date the tax is imposed under sections 3 and 4, if  
21 the sales agreement cannot be withdrawn or altered, or contains a  
22 fixed price not subject to change or modification.

23 (t) A written instrument evidencing a contract or transfer of  
24 property to a person sufficiently related to the transferor to be  
25 considered a single employer with the transferor under section  
26 414(b) or (c) of the internal revenue code of 1986, 26 USC 414.

27 (u) A written instrument conveying an interest in property for

1 which an exemption is claimed **BY THE SELLER OR TRANSFEROR** under  
2 section 7cc of the general property tax act, 1893 PA 206, MCL  
3 211.7cc, if the state equalized valuation of that property is equal  
4 to or lesser than the state equalized valuation ~~on the date of~~  
5 ~~purchase or on~~ **DETERMINED AS OF THE FIRST TAX DAY AFTER THE**  
6 **ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR THE RESIDENCE, OR** the  
7 date of acquisition **OF THE PROPERTY, WHICHEVER COMES LATER,** by the  
8 seller or transferor for that same interest in property and the  
9 transaction was for a price at which a willing buyer and a willing  
10 seller would arrive through an arms-length negotiation.  
11 Notwithstanding section 22 of 1941 PA 122, MCL 205.22, and section  
12 3(4) of this act, if the seller or the buyer who has paid the tax  
13 on behalf of the seller believes that the property was eligible for  
14 an exemption under this subdivision at the time of transfer, the  
15 seller or the buyer who has paid the tax on behalf of the seller  
16 may request a refund from the department in a form and manner  
17 determined by the department. This subdivision is retroactive and  
18 applies to a sale, exchange, assignment, or transfer ~~on or after~~  
19 ~~June 24, 2011.~~ **BEGINNING 4 YEARS IMMEDIATELY PRECEDING THE EFFECTIVE**  
20 **DATE OF THE AMENDATORY ACT THAT AMENDED THIS SENTENCE SUBJECT TO**  
21 **THE STATUTE OF LIMITATIONS PERIOD PROVIDED IN SECTION 27A OF 1941**  
22 **PA 122, MCL 205.27A. A TAXPAYER THAT CLAIMED A REFUND UNDER THIS**  
23 **SUBDIVISION PRIOR TO THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT**  
24 **ADDED THIS SENTENCE AND WHOSE REFUND WAS DENIED AND NOT APPEALED IN**  
25 **ACCORDANCE WITH SECTION 21 OR 22 OF 1941 PA 122, MCL 205.21 AND**  
26 **205.22, MAY CLAIM A REFUND UNDER THIS SUBDIVISION NOTWITHSTANDING**  
27 **SECTION 22 OF 1941 PA 122, MCL 205.22.**

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

6           (w) A written instrument conveying an interest from a  
7 religious society in property exempt from the collection of taxes  
8 under section 7s of the general property tax act, 1893 PA 206, MCL  
9 211.7s, to a religious society if that property continues to be  
10 exempt from the collection of taxes under section 7s of the general  
11 property tax act, 1893 PA 206, MCL 211.7s.