

# HOUSE BILL No. 4643

May 23, 2017, Introduced by Reps. Maturen, Lucido, Iden, Sheppard, Crawford, Hughes, Glenn, Griffin and Hoitenga 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 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  
10 taxing under the United States ~~constitution~~ **CONSTITUTION** or federal

1 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 spouse or married couple creating or  
27 disjoining a tenancy by the entireties in the grantors or the

1 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  
7 ordering a transfer, unless a specific monetary consideration is  
8 specified 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 conveyance that meets 1 of the following:

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

25 (ii) A transfer between any limited liability company and its  
26 members if the ownership interests in the limited liability company  
27 are held by the same persons and in the same proportion as in the

1 limited liability company prior to the transfer.

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

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

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

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

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

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

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

26 (u) A written instrument conveying an interest in property for  
27 which an exemption is claimed under section 7cc of the general

1 property tax act, 1893 PA 206, MCL 211.7cc, if the state equalized  
2 valuation of that property is equal to or lesser than the state  
3 equalized valuation on the ~~date of purchase or on~~ **LATER OF THE**  
4 **FIRST TAX DAY AFTER THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR**  
5 **THE RESIDENCE OR** the date of acquisition **OF THE PROPERTY** by the  
6 seller or transferor for that same interest in property and the  
7 transaction was for a price at which a willing buyer and a willing  
8 seller would arrive through an arms-length negotiation.

9 Notwithstanding section 22 of 1941 PA 122, MCL 205.22, and section  
10 3(4) of this act, if the seller or the buyer who has paid the tax  
11 on behalf of the seller believes that the property was eligible for  
12 an exemption under this subdivision at the time of transfer, the  
13 seller or the buyer who has paid the tax on behalf of the seller  
14 may request a refund from the department in a form and manner  
15 determined by the department. This subdivision is retroactive and  
16 applies to a sale, exchange, assignment, or transfer on or after  
17 June 24, 2011.

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

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

1 property tax act, 1893 PA 206, MCL 211.7s.