REAL ESTATE TRANSFER TAX
Act 134 of 1966

AN ACT to impose a tax upon written instruments which transfer any interest in real property; to provide for the administration of this act; and to provide penalties for violations of this act.

History: 1966, Act 134, Eff. Jan. 1, 1968.

The People of the State of Michigan enact:

207.501 Real estate transfer tax; definitions.

Sec. 1. As used in this act:

(a) "Treasurer" means the county treasurer.

(b) "Person" means every natural person, association or corporation. Whenever used in any penalty clause the term "person", as applied to associations, means the partners or members thereof, and as applied to corporations, the officers thereof.

(c) "Value" means the current or fair market worth in terms of legal monetary exchange at the time of the transfer.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1968, Act 327, Imd. Eff. July 3, 1968.

207.502 Instruments executed within state subject to tax.

Sec. 2. (1) There is imposed, in addition to all other taxes, a tax upon the following written instruments executed within this state when said instrument is recorded.

(a) Contracts for the sale or exchange of real estate or any interest therein or any combination of the foregoing or any assignment or transfer thereof.

(b) Deeds or instruments of conveyance of real property or any interest therein, for a consideration.

(2) The tax shall be upon the person who is the seller or grantor.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1968, Act 327, Imd. Eff. July 3, 1968.

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207.503 Instruments executed outside state subject to tax.

Sec. 3. There is imposed, in addition to all other taxes, a tax upon all written instruments of the kinds described in section 2 executed without this state if the contract or transfer evidenced thereby concerns property wholly located within this state. Any such instrument shall be subject to all of the provisions of this act.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1968, Act 327, Imd. Eff. July 3, 1968.

207.504 Rate of tax; statement on face of written instrument; affidavit.

Sec. 4. The tax shall be at the rate of 55 cents in a county with a population of less than 2,000,000 and not more than 75 cents as authorized by the county board of commissioners in a county with a population of 2,000,000 or more for each $500.00 or fraction thereof of the total value. A written instrument subject to the tax imposed by this act shall state on its face the total value of the real property or there shall be attached to the instrument an affidavit declaring the total value of the real property. The form of the affidavit shall be prescribed by the state tax commission. In the case of the sale or transfer of a combination of real and personal property the tax shall be imposed only upon the transfer of the real property, if the values of the real and personal property are stated separately on the face of the instrument or if an affidavit is attached to the instrument setting forth the respective values of the real and personal property.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1968, Act 327, Imd. Eff. July 3, 1968;—Am. 1980, Act 413, Eff. Mar. 31, 1981.

207.505 Exemptions.

Sec. 5. The following instruments and transfers shall be exempt from this act:

(a) Instruments where the value of the consideration is less than $100.00.

(b) Instruments evidencing contracts or transfers which are not to be performed wholly within this state insofar as such instruments include land lying outside of this state.

(c) Written instruments which this state is prohibited from taxing under the constitution or statutes of the United States.

(d) Instruments or writings given as security or any assignment or discharge thereof.

(e) Instruments evidencing leases, including oil and gas leases, or transfers of such leasehold interests.

(f) Instruments evidencing any interests which are assessable as personal property.

(g) Instruments evidencing the transfer of rights and interests for underground gas storage purposes.

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(h) Instruments (i) in which the grantor is the United States, the state, any political subdivision or municipality thereof, or officer thereof acting in his official capacity; (ii) given in foreclosure or in lieu of foreclosure of a loan made, guaranteed or insured by the United States, the state, any political subdivision or municipality thereof or officer thereof acting in his official capacity; (iii) given to the United States, the state, or 1 of their officers as grantee, pursuant to the terms or guarantee or insurance of a loan guaranteed or insured by the grantee.

(i) Conveyances from a husband or wife or husband and wife creating or disjoining a tenancy by the entireties in the grantors or the grantor and his or her spouse.

(j) Judgments or orders of courts of record making or ordering transfers, except where a specific monetary consideration is specified or ordered by the court therefor.

(k) Instruments used to straighten boundary lines where no monetary consideration is given.

(*l*) Instruments to confirm titles already vested in grantees, such as quitclaim deeds to correct flaws in titles.

(m) Land contracts whereby the legal title does not pass to the grantee until the total consideration specified in the contract has been paid.

(n) Instruments evidencing the transfer of mineral rights and interests.

(o) Instruments creating a joint tenancy between 2 or more persons where at least 1 of the persons already owned the property.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1967, Act 258, Imd. Eff. July 19, 1967;—Am. 1968, Act 327, Imd. Eff. July 3, 1968 ;—Am. 1969, Act 67, Imd. Eff. July 21, 1969.

207.506 Bankruptcy or insolvency proceedings; transfer to receivers.

Sec. 6. No tax shall be imposed by this act upon any written instrument which conveys property or any interest therein to any receiver, administrator or trustee, whether special or general, in any bankruptcy or insolvency proceedings.

History: 1966, Act 134, Eff. Jan. 1, 1968.

207.507 Documentary stamps; purchase, methods of affixation, cancellation.

Sec. 7. The tax imposed by this act shall be evidenced by the affixing of a documentary stamp or stamps to every instrument subject to the tax imposed by this act by the person making, executing, issuing or delivering such document. Documentary stamps shall be purchased only in the county in which the property is located. The stamps shall be affixed in such manner that their removal will require the continued application of steam or water, and the person using or affixing the stamps shall write or stamp thereon his initials and the date upon which the stamps are affixed or used so that the stamps may not again be used. The treasurer may prescribe such other method of cancellation as he deems expedient. The treasurer shall, if required by the state treasurer, utilize a tax meter machine which shall be provided by the county.

History: 1966, Act 134, Eff. Jan. 1968;—Am. 1967, Act 258, Imd. Eff. July 19, 1967;—Am. 1968, Act 327, Imd. Eff. July 3, 1968.

207.508 Preparation of stamps; duty of treasurer, use of tax meter machine.

Sec. 8. The state treasurer shall prescribe and prepare for use by the county treasurer, adhesive stamps of such denominations and quantities as shall be necessary for the payment of the tax imposed by this act. The state treasurer shall prescribe conditions under which a county treasurer may utilize a tax meter machine. The adhesive stamps, if used, shall be requisitioned by the county treasurer as required. The county treasurer shall reimburse the state treasurer for the production cost of the stamps so requisitioned. The treasurer shall make provisions for the use of tax meter machines or for the sale of the stamps in such places as he deems necessary.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1967, Act 258, Imd. Eff. July 19, 1967.

207.509 Revenue, disposition; credit to general fund.

Sec. 9. All revenue received under this act shall be deposited in the treasury of the county where the tax is collected to the credit of the general fund.

History: 1966, Act 134, Eff. Jan. 1, 1968.

207.510 Tax to be paid only once; exemptions; new consideration.

Sec. 10. It is the intent of this act that the tax imposed by this act be paid only once. No tax shall be imposed on any instrument which transfers ownership of property or an interest therein if such instrument is given and the transfer made pursuant to a written executory contract upon which the tax has been previously paid. Any instrument which is evidence of indebtedness or of a contract right shall be subject to the tax

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imposed by this act only to the extent of the new consideration given therefor. An instrument which is given to supplement, reform or correct a prior instrument shall be subject to the tax imposed by this act only to the extent of the new consideration given therefor.

Any instrument which would be subject to the tax imposed by this act except for the provisions of this section shall state on its face, that the instrument is exempt by reason of the prior payment or partial payment of the tax on another instrument executed on part of the same transaction and the date of payment.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1968, Act 327, Imd. Eff. July 3, 1968.

207.511 Recording, requirements; detachment of affidavit; use.

Sec. 11. (a) No written instrument subject to this act shall be recorded in the office of any register of deeds of any county of this state unless documentary stamps as required by this act have been purchased at the time of presentation by the party responsible for their purchase according to subsection (2) of section 2. The stamps shall be affixed to the face of the instrument prior to recording unless the person specifically requests that the instrument be recorded prior to the affixing of the stamps. In the latter case, the stamps may be affixed to the reverse side of the instrument, however, in those cases where it is necessary to record said reverse side, the stamps shall be affixed after recording by the register of deeds. If the instrument of transfer is not subject to the tax, the instrument shall state on its face the reason for the exemption. Any instrument accepted for recording which is not in accordance with this act shall not affect the validity of such recording as to notice.

(b) An affidavit attached to a written instrument under the provisions of this act shall not be recorded and shall be detached from the written instrument prior to the recording of the instrument. Such affidavit shall be used for county fund auditing purposes only and shall not be disclosed to any other person.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1967, Act 258, Imd. Eff. July 19, 1967;—Am. 1968, Act 327, Imd. Eff. July 3, 1968
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207.512 Unlawful acts; penalty for violations.

Sec. 12. (1) It shall be unlawful for any person to:

(a) Fraudulently cut, tear or remove from a document any documentary stamp.

(b) Fraudulently affix to any document upon which tax is imposed by this act any documentary stamp which has been cut, torn or removed from any other written instrument upon which tax is imposed by this act, or any documentary stamp of insufficient value or any forged or counterfeited stamp or any impression of any forged or counterfeited stamp, die, plate or other article.

(c) Wilfully remove or alter the cancellation marks of any documentary stamp or restore any such documentary stamp with intent to use or cause the same to be used after it has already been used, or knowingly buy, sell, offer for sale or give away any such altered or restored stamp to any person for use, or knowingly use the same.

(d) Knowingly or wilfully prepare, keep, sell, offer for sale or have in his possession any forged or counterfeited documentary stamps.

(e) Knowingly or wilfully issue a false or fraudulent affidavit.

(2) Any person violating any of the provisions of this section is guilty of a misdemeanor and shall be fined not more than $500.00 and costs of prosecution, or imprisoned for not more than 1 year, or both.

History: 1966, Act 134, Eff. Jan. 1, 1968;—Am. 1967, Act 258, Imd. Eff. July 19, 1967.

207.513 Effective date.

Sec. 13. This act shall take effect immediately upon the repeal of the tax imposed by and paid to the United States on real estate transfer under the provisions of section 4361 of subchapter C of chapter 34 of the United States internal revenue code of 1954 as amended.

History: 1966, Act 134, Eff. Jan. 1, 1968.

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