

# HOUSE BILL No. 4277

February 25, 2003, Introduced by Rep. DeRossett 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 2000 PA 203.

## 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.

11       (d) A written instrument given as security or an assignment

1 or discharge of the security interest.

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

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

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

8 (h) Any of the following written instruments:

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

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

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

24 (i) A conveyance from a husband or wife or husband and wife  
25 creating or disjoining a tenancy by the entirety in the  
26 grantors or the grantor and his or her spouse.

27 (j) A conveyance from an individual to that individual's

1 child, stepchild, or adopted child.

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

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

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

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

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

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

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

19 (r) A transfer made pursuant to a bona fide sales agreement  
20 made before the date the tax is imposed under sections 3 and 4,  
21 if the sales agreement cannot be withdrawn or altered, or  
22 contains a fixed price not subject to change or modification.  
23 However, a sales agreement for residential construction may be  
24 adjusted up to 15% to reflect changes in construction  
25 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  
2 section 414(b) or (c) of the internal revenue code of 1986, 26  
3 U.S.C. 414.

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

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

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

1           (w) A written instrument that conveys an interest in property  
2 that meets all of the following:

3           (i) The property is being transferred from a nonprofit entity  
4 affiliated with a vocational education program operated by a  
5 school district, intermediate school district, consortium of  
6 school districts, intermediate school districts, or private or  
7 parochial K-12 school systems.

8           (ii) A home or building was constructed on the property being  
9 transferred primarily by the students in the vocational education  
10 program described in subparagraph (i).

11           (iii) The nonprofit entity described in subparagraph (i) has  
12 not utilized the exemption under this subdivision more than 2  
13 times in that calendar year.