

Transfer Tax

A tax of \$4.40 per thousand is imposed upon the sale, granting or transfer of real estate and any interest therein. The transfer tax is equally divided between the buyer and the seller, unless exempt pursuant to Title 36, §4641-C. An exemption from the transfer tax must be clearly stated on the deed being recorded as well as on the Declaration of Value Form that must accompany the deed.

Transfer Tax Exemptions

Title 36 §4641-C. Exemptions

The following are exempt from the tax imposed by this chapter:

1. Governmental entities. Deeds to property transferred to or by the United States, the State of Maine or any of their instrumentalities, agencies or subdivisions. For the purposes of this subsection, only the United States, the State of Maine and their instrumentalities, agencies and subdivisions are exempt from the tax imposed by section 4641-A; except that real property transferred to the Department of Transportation or the Maine Turnpike Authority for transportation purposes; gifts of real property to governmental entities; and deeds transferring real property to governmental entities from a bona fide nonprofit land conservation organization are exempt from the tax;
2. Mortgage deeds. Mortgage deeds, discharges of mortgage deeds and partial releases of mortgage deeds. For the purposes of this subsection, only the mortgagor is exempt from the tax imposed for a deed in lieu of foreclosure. In the event of a deed to a 3rd party at such a public sale, the tax imposed upon the grantor by section 4641-A applies only to that portion of the proceeds of sale that exceeds the sums required to satisfy in full the claims of the mortgagee and all junior claimants originally made parties in interest in the proceedings or having subsequently intervened in the proceedings as established by the judgment of foreclosure and sale. The tax must be deducted from the excess proceeds. In the event of a deed from a mortgagee to itself at a public sale held pursuant to Title 14, section 6323, the mortgagee is considered to be both the grantor and grantee for purposes of section 4641-A. In the event of a deed in lieu of foreclosure and a deed from a mortgagee to itself at a public sale held pursuant to Title 14, section 6323, the tax applies to the value of the property as that term is defined in section 4641, subsection 3;
3. Deeds affecting a previous deed. Deeds that, without additional consideration and without changing ownership or ownership interest, confirm, correct, modify or supplement a deed previously recorded;
4. Deeds between certain family members. Deeds between husband and wife, parent and child, or grandparent and grandchild without actual consideration for the deed, and deeds between spouses in divorce proceedings;
5. Tax deeds. Tax deeds;

6. Deeds of partition. Deeds of partition when the interest conveyed is without consideration. However, if any of the parties take shares greater in value than their undivided interest, a tax is due on the difference between their proportional undivided interest and the greater value, computed at the rate set forth in section 4641-A;

7. Deeds pursuant to mergers or consolidations. Deeds made pursuant to mergers or consolidations carried out pursuant to Title 13-C, chapter 11, from which no gain or loss is recognized under the Internal Revenue Code;

8. Deeds by subsidiary corporation. Deeds made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock;

9. Deeds prior to October 1, 1975 . Deeds dated or acknowledged prior to October 1, 1975 , and offered for recording subsequent to that date;

10. Deeds by parent corporation. Deeds made by a parent corporation to its subsidiary corporation for no consideration other than shares of stock of the subsidiary corporation;

11. Deeds of distribution. Deeds of distribution made pursuant to Title 18-A;

12. Deeds executed by public officials. Deeds executed by public officials in the performance of their official duties;

14. Deeds given pursuant to the United States Bankruptcy Code. Deeds given pursuant to the United States Bankruptcy Code;

15. Deeds to a trustee, nominee or straw. Any deeds:

A. To a trustee, nominee or straw party for the grantor as beneficial owner;

B. For the beneficial ownership of a person other than the grantor when, if that person were the grantee, no tax would be imposed upon the conveyance pursuant to this chapter; or

C. From a trustee, nominee or straw party to the beneficial owner;

16. Certain corporate, partnership and limited liability company deeds. Deeds between a family corporation, partnership, limited partnership or limited liability company and its stockholders, partners or members for the purpose of transferring real property in the organization, dissolution or liquidation of the corporation, partnership, limited partnership or limited liability company under the laws of this State, if the deeds are given for no actual consideration other than shares, interests or debt securities of the corporation, partnership, limited partnership or limited liability company. For purposes of this subsection a family corporation, partnership, limited partnership or limited liability company is a corporation, partnership, limited partnership or limited liability company in which the majority of the voting stock of the corporation, or of the interests in the partnership, limited partnership or limited liability company is held by and the majority of the stockholders, partners or members are persons related to each other, including by adoption, as descendants or as spouses of descendants of a common ancestor who was also a transferor of the real property involved, or persons acting in a fiduciary capacity for persons so related;

17. Deeds to charitable conservation organizations. Deeds for gifts of land or interests in land granted to bona fide nonprofit institutions, organizations or charitable trusts under state law or charter, a similar law or charter of any other state or the Federal Government that meet the conservation purposes requirements of Title 33, section 476, subsection 2, paragraph B without actual consideration for the deeds;

18. Limited liability company deeds. Deeds to a limited liability company from a corporation, a general or limited partnership or another limited liability company, when the grantor or grantee owns an interest in the limited liability company in the same proportion as the grantor's or grantee's interest in or ownership of the real estate being conveyed;

19. Change in identity or form of ownership. Any transfer of real property, whether accomplished by deed, conversion, merger, consolidation or otherwise, if it consists of a mere change in identity or form of ownership of an entity. This exemption is limited to those transfers where no change in beneficial ownership is made and may include transfers involving corporations, partnerships, limited liability companies, trusts, estates, associations and other entities; and

20. Controlling interests. Transfers of controlling interests in an entity with a fee interest in real property if the transfer of the real property would qualify for exemption if accomplished by deed of the real property between the parties to the transfer of the controlling interest.