

County Transfer Tax Exemptions

When an instrument is exempt from taxes, use the following information and insert the letter that is applicable.

MCLA 207.505 (5)()

Sec.5. The following instruments are 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 of the 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 interest.
- (f) Instrument evidencing any interests which are assessable as personal property.
- (g) Instruments evidencing the transfer of rights and interests for underground gas storage purposes.
- (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 one 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 recording making or ordering transfers, except where a specific monetary consideration is specified or ordered by the court thereof.

- (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 deed to correct flaws in the titles.
- (m) Land contract whereby the legal title does not pass to the grantor until the total consideration specified in the contract has been paid.
- (n) Instruments evidencing the transfer of mineral rights and interest.
- (o) Instruments creating a joint Tenancy between two (2) or more persons where at least one (1) of the persons already owned the property.

207.506 Exemptions

Transfer to receivers, administrators or trustees in bankruptcy or insolvency proceedings. 207.508

Section 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 imposed by this act only to the extent of the new consideration given therefore. 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 thereof. Any instrument which would be subject to the tax imposed by this act except for the provisions of this section shall state on the 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.

Exemptions to State Real Estate Transfer Tax (SRETT)

When an instrument is exempt from taxes, use the following information and insert the letter that is applicable.

MCLA 207.526 (6)()

Sec. 6 the following instruments are exempt from this act:

- (a) A written instrument in which the value of the consideration is less than \$100.00.
- (b) A written instrument evidencing a contract or transfer that is not to be performed wholly within this state only to the extent the written instrument includes land lying outside of the state.
- (c) A written instrument that this state is prohibited from taxing under the United States constitution or federal statutes.

- (d) A written instrument given as security or an assignment or discharge of the security interest.
- (e) A written instrument evidencing a lease, including oil and gas lease, or transfer of a leasehold interest.
- (f) A written instrument evidencing an interest that is assessable as personal property.
- (g) A written instrument evidencing the transfer of a right and interest for underground gas storage purposes.
- (h) Any of the following written instruments:
 - [i] A written instrument in which the grantor is the United States, this state, a political subdivision or municipality of this state, or an officer of the United States, or this state, or a political subdivision or municipality of this state acting in his or her official capacity.
 - [ii] A written instrument given in lieu of foreclosure of a loan made, guaranteed or insured by the United States, the state, a political subdivision or municipality of this state, or an officer of the United States, or this state, a political subdivision or municipality of this state acting in his or her official capacity.
 - [iii] A written instrument given to the United States, the state, or one of their officers acting in an official capacity as grantee, pursuant to the terms of guarantee or insurance of a loan guaranteed or insured by the grantee.
- (i) A conveyance 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) A conveyance from a mother or father to a son or daughter or stepchild or adopted child.
- (k) A conveyance from a grandmother or grandfather to a grandchild or step-grandchild or adopted grandchild.
- (l) A judgment or order of a court of record making or ordering a transfer, unless a specific monetary consideration is specified or ordered by the court for the transfer
- (m) A written instrument used to straighten boundary lines if no monetary consideration is given.
- (n) A written instrument to confirm title already vested in a grantee, including a quitclaim deed to correct a flaw in title.
- (o) A land contract in which legal title does not pass to the grantee until the total consideration specified in the contract has been paid.
- (p) A written instrument evidencing the transfer of mineral rights and interests.

(q) A written instrument creating a joint tenancy between two or more persons if at least one of the persons already owns the property.

(r) A transfer made pursuant to a bona fide sales agreement made before the date the tax is imposed. If the sales agreement cannot be withdrawn or altered, or contains a fixed price not subject to change or modification. However, a sales agreement for residential construction may be adjusted up to 15% to reflect changes in construction specifications.

(s) A written instrument evidencing a contract or transfer of property to a person sufficiently related to the transferor to be considered a single employer with the transferor under section 414(b) or (c) of the Internal revenue code of 1986, as amended.

(t) A written instrument conveying an interest in homestead property for which a homestead exemption is claimed under either the school code of 1976, Act No. 451 of the Public Acts of 1976, being sections 380.1 to 380.1852 of the Michigan Compiled Laws or the state education tax act, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws. If the state equalized valuation of that homestead property is equal to or lesser than the state equalized valuation on the date of purchase or on the date of acquisition by the seller or the transferor for that same interest in property. If after an exemption is claimed under this sub-section, the sale or transfer of homestead property is found by the treasurer to be at a value other than the true cash value, then a penalty equal to 20% of the tax shall be assessed in addition to the tax due under this act to the seller or transferor.

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

(v) A written instrument conveying an interest from a religious society in property exempt from the collection of taxes under section 7s of the general property tax act, 1893 PA 206, MCL211.7s, to a religious society if that property continues to be exempt from the collection of taxes under section 7s of the general property tax act, 1893 PA 206, MCL211.7s.