



SENATE BILL No. 999

January 27, 1994, Introduced by Senators Bouchard, Gougeon, Emmons, McManus, Honigman, Schwarz, Arthurhultz, Gast, DiNello, Wartner and Dillingham and referred to the Committee on Finance

A bill to amend sections 5, 6, 8, and 9 of Act No 330 of the Public Acts of 1993, entitled
"State real estate transfer tax act,"
being sections 207 525, 207 526, 207 528, and 207 529 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 5 6 8 and 9 of Act No 330 of the
2 Public Acts of 1993, being sections 207 525, 207 526, 207 528,
3 and 207 529 of the Michigan Compiled Laws, are amended to read as
4 follows

5 Sec 5 (1) Except as otherwise provided in this section,
6 the tax imposed under sections 3 and 4 is levied at the following
7 rate

8 (a) Beginning May 1, 1994, if the sales tax is levied at a
9 rate of 4% under the general sales tax act, Act No 167 of the

1 Public Acts of 1933, being sections 205 51 to 205 78 of the
2 Michigan Compiled Laws, ~~-\$5-00-~~ \$3 75 for each \$500 00 or frac-
3 tion of \$500 00 of the total value of the property being
4 transferred However, if on May 1, 1994, the sales tax is levied
5 at a rate of 6% under Act No 167 of the Public Acts of 1933,
6 then no tax shall be levied under this subdivision

7 (b) Beginning January 1, 1995, if the sales tax is levied at
8 a rate of 6% under the general sales tax act, Act No 167 of the
9 Public Acts of 1933, being sections 205 51 to 205 78 of the
10 Michigan Compiled Laws, ~~-\$10-00-~~ \$3 75 for each \$500 00 or frac-
11 tion of \$500 00 of the total value of the property being
12 transferred

13 (2) A written instrument subject to the tax imposed by this
14 act shall state on its face the total value of the real property
15 being transferred unless an affidavit is attached to the written
16 instrument declaring the total value of the real property being
17 transferred The form of the affidavit shall be prescribed by
18 the department of treasury If the sale or transfer is of a com-
19 bination of real and personal property, the tax shall be imposed
20 only upon the transfer of the real property if the values of the
21 real and personal property are stated separately on the face of
22 the written instrument or if an affidavit is attached to the
23 written instrument setting forth the respective values of the
24 real and personal property

25 Sec 6 The following written instruments and transfers of
26 property are exempt from the tax imposed by this act

1 (a) A written instrument in which the value of the
2 consideration for the property is less than \$100 00

3 (b) A written instrument evidencing a contract or transfer
4 that is not to be performed wholly within this state only to the
5 extent the written instrument includes land lying outside of this
6 state

7 (c) A written instrument that this state is prohibited from
8 taxing under the United States constitution or federal statutes

9 (d) A written instrument given as security or an assignment
10 or discharge of the security interest

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

13 (f) A written instrument evidencing an interest that is
14 assessable as personal property

15 (g) A written instrument evidencing the transfer of a right
16 and interest for underground gas storage purposes

17 (h) Any of the following written instruments

18 (1) A written instrument in which the grantor is the United
19 States, this state a political subdivision or municipality of
20 this state, or an officer of the United States or of this state,
21 or a political subdivision or municipality of this state acting
22 in his or her official capacity

23 (11) A written instrument given in foreclosure or in lieu of
24 foreclosure of a loan made, guaranteed, or insured by the United
25 States, this state, a political subdivision or municipality of
26 this state, or an officer of the United States or of this state,

1 or a political subdivision or municipality of this state acting
2 in his or her official capacity

3 (111) A written instrument given to the United States, this
4 state, or 1 of their officers acting in an official capacity as
5 grantee, pursuant to the terms or guarantee or insurance of a
6 loan guaranteed or insured by the grantee

7 (1) A conveyance from a husband or wife or husband and wife
8 creating or disjoining a tenancy by the entirety in the grant-
9 ors or the grantor and his or her spouse

10 (j) A judgment or order of a court of record making or
11 ordering a transfer, unless a specific monetary consideration is
12 specified or ordered by the court for the transfer

13 (k) A written instrument used to straighten boundary lines
14 if no monetary consideration is given

15 (l) A written instrument to confirm title already vested in
16 a grantee, including a quitclaim deed to correct a flaw in
17 title

18 (m) A land contract in which the legal title does not pass
19 to the grantee until the total consideration specified in the
20 contract has been paid

21 (n) A written instrument evidencing the transfer of mineral
22 rights and interests

23 (o) A written instrument creating a joint tenancy between 2
24 or more persons if at least 1 of the persons already owns the
25 property

26 (p) A transfer made pursuant to a bona fide sales agreement
27 made before the date ~~of enactment of this act~~ THE TAX IS

1 IMPOSED UNDER SECTIONS 3 AND 4, if the sales agreement cannot be
2 withdrawn or altered, or contains a fixed price not subject to
3 change or modification. However, a sales agreement for residen-
4 tial construction may be adjusted up to 15% to reflect changes in
5 construction specifications.

6 (q) A written instrument evidencing a contract or transfer
7 of property to a person sufficiently related to the transferor to
8 be considered a single employer with the transferor under
9 section 414(b) or (c) of the internal revenue code of 1986, as
10 amended.

11 Sec 8 (1) ~~The~~ EXCEPT AS PROVIDED IN SECTION 9, THE pay-
12 ment of the tax imposed by this act shall be evidenced by the
13 affixing of a documentary stamp or stamps to each written instru-
14 ment subject to the tax imposed by this act by the person making,
15 executing, issuing, or delivering the written instrument. The
16 stamp required by this act may also serve as the stamp required
17 under section 7 of Act No 134 of the Public Acts of 1966, being
18 section 207 507 of the Michigan Compiled Laws. The stamps
19 required by this section shall be purchased only in the county in
20 which the property is located.

21 (2) The person using or affixing the stamps shall affix the
22 stamps so that removal requires the continued application of
23 steam or water. The person using or affixing the stamps shall
24 write or stamp on the stamps his or her initials and the date
25 upon which the stamps are affixed or used so that the stamps
26 cannot again be used.

1 (3) The treasurer may prescribe another method of
2 cancellation as he or she considers appropriate. If the county
3 treasurer is required to utilize a tax meter machine under sec-
4 tion 7 of Act No. 134 of the Public Acts of 1966, the tax meter
5 machine shall be used to evidence the payment of the tax imposed
6 by this act.

7 Sec. 9 (1) The treasurer shall prescribe and prepare for
8 use by a county treasurer adhesive stamps of the denominations
9 and quantities that are necessary for the payment of the tax
10 imposed by this act and the tax imposed by Act No. 134 of the
11 Public Acts of 1966, being sections 207 501 to 207 513 of the
12 Michigan Compiled Laws. The county treasurer shall requisition
13 the stamps as required.

14 (2) The treasurer shall prescribe conditions under which a
15 county treasurer may utilize a tax meter machine to evidence the
16 payment of the tax imposed under this act or the tax imposed
17 under Act No. 134 of the Public Acts of 1966. The treasurer
18 shall provide for the use of a tax meter machine or for the sale
19 of the stamps in such places as he or she considers necessary.

20 (3) THE TREASURER MAY PRESCRIBE ALTERNATE MEANS FOR THE
21 COUNTY TREASURER TO EVIDENCE THE PAYMENT OF THE TAX UNDER THIS
22 ACT. THE TREASURER SHALL PROVIDE THE ALTERNATIVE MEANS TO THE
23 COUNTY TREASURER IF ALTERNATIVE MEANS ARE USED TO EVIDENCE THE
24 PAYMENT OF THE TAX UNDER THIS ACT.