

HOUSE BILL NO. 4778

June 15, 2023, Introduced by Reps. Hope and Morgan and referred to the Committee on Government Operations.

A bill to amend 1966 PA 134, entitled

"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,"

by amending section 5 (MCL 207.505).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. The following instruments and transfers ~~shall be~~**are**
2 exempt from this act:

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

1 (b) Instruments evidencing contracts or transfers ~~which—that~~
 2 are not to be performed wholly within this state ~~insofar as such~~
 3 **only to the extent that the** instruments include land lying outside
 4 of this state.

5 (c) Written instruments ~~which—that~~ this state is prohibited
 6 from taxing under the ~~constitution—~~**United States Constitution** or
 7 **federal** statutes. ~~of the United States.~~

8 (d) Instruments or writings given as security or any
 9 assignment or discharge ~~thereof.~~**of a security interest.**

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

12 (f) Instruments evidencing any interests ~~which—that~~ are
 13 assessable as personal property.

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

16 (h) ~~Instruments—(i)—~~**Any of the following instruments:**

17 **(i) Instruments** in which the grantor is ~~the—1~~ **of the following:**

18 **(A) The** United States. ~~the~~

19 **(B) This** state. ~~any~~

20 **(C) A** political subdivision or municipality ~~thereof,~~ **of this**
 21 **state.** ~~of~~

22 **(D) An** officer ~~thereof—of a governmental entity listed in sub-~~
 23 **subparagraphs (A) to (C),** acting in ~~his—the officer's~~ official
 24 capacity. ~~the—(ii)~~

25 **(ii) Instruments** given in foreclosure or in lieu of foreclosure
 26 of a loan made, guaranteed, or insured by ~~the—1~~ **of the following:**

27 **(A) The** United States. ~~the~~

28 **(B) This** state. ~~any~~

29 **(C) A** political subdivision or municipality ~~thereof—of this~~

1 **state.** ~~or~~

2 (D) **An officer ~~thereof~~ of a governmental entity listed in sub-**
 3 **subparagraphs (A) to (C),** acting in ~~his~~ **the officer's** official
 4 capacity. ~~+(iii)~~

5 (iii) **Instruments** given to the United States, ~~the~~ **this** state, or
 6 1 of their officers as grantee, pursuant to the terms or guarantee
 7 or insurance of a loan guaranteed or insured by the grantee.

8 (i) Conveyances from ~~a husband or wife~~ **an individual to the**
 9 **individual's spouse** or ~~husband and wife~~ **both spouses** creating or
 10 disjoining a tenancy by the entireties in the grantors or the
 11 grantor and ~~his or her~~ **the grantor's** spouse.

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

15 (k) Instruments used to straighten boundary lines ~~where~~ **if** no
 16 monetary consideration is given.

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

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

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

24 (o) Instruments creating a joint tenancy between 2 or more
 25 persons ~~where~~ **if** at least 1 of the persons already owned the
 26 property.

27 Enacting section 1. This amendatory act does not take effect
 28 unless Senate Joint Resolution ____ or House Joint Resolution F
 29 (request no. 00367'23) of the 102nd Legislature becomes a part of

1 the state constitution of 1963 as provided in section 1 of article
2 XII of the state constitution of 1963.