

Application for State Real Estate Transfer Tax (SRETT) Refund

Issued under authority of Public Act 330 of 1993.

When a principal residence is sold, State Real Estate Transfer Tax (SRETT) must be paid to the County Treasurer. If the Seller, or the Buyer who paid SRETT on behalf of the seller (under "u"), later believes that the sale or transfer of the property qualifies for exemption under MCL 207.526 (see Page 2), a request for a refund of the SRETT may be made by filing this completed form with the Michigan Department of Treasury. A copy of the Settlement Statement (HUD-1) OR Settlement Disclosure Form, a copy of the RECORDED DEED with the Tax Stamp and other documentation must be submitted with the form. See Part 4, Required Documentation, for additional information. Submit copies of all documentation as originals will not be returned.

This form and required documents must be filed within four years and 15 days from the date of sale or transfer of the property.

THIS FORM MUST BE FULLY COMPLETED AND SIGNED BY ALL CLAIMANTS.

Type or print in blue or black ink.

PART 1: IDENTIFICATION			
Names of ALL Claimants (This section must be completed exactly as listed on the recorded deed.)		Social Security or Federal ID Number(s) of ALL Claimants	
Mailing Address for Correspondence and/or Refund Check			
City and State	ZIP Code	Telephone Number	
PART 2: BASIS FOR EXEMPTION (see Page 2 for list of exemptions)			
Exemption Being Claimed Under PA 330 of 1993, as Amended		Amount of SRETT Refund Requested (State Tax Only)	
PART 3: RECORDED DEED			
Date of Transfer of Property (MM/DD/YYYY)	Tax Parcel/Sidwell ID Number	Taxing Entity (City, Township, Village)	County
PART 4: REQUIRED DOCUMENTATION (Refer to Additional Information on page 2)			
<p>To qualify for a refund of the SRETT under "u," (1) the sellers must qualify for 100% Principal Residence Exemption, (2) the state equalized valuation (SEV) of the property in the year of sale must be <u>equal to or less than</u> the SEV of the property on the date of purchase/date of acquisition, and (3), the property was sold for a price at which a willing buyer and a willing seller would arrive through an arm's-length negotiation</p> <p>If claiming exemption under "u", the Claimant must submit copies of ALL of the following:</p> <ol style="list-style-type: none"> 1. Proof of SRETT paid to the Register of Deeds at the time the property was sold (either a copy of RECORDED DEED with real estate transfer tax stamp OR form 2705 (L-4258) Real Estate Transfer Tax Valuation Affidavit and official receipt from county treasurer), 2. Copy of the complete Settlement Statement (HUD-1) OR Settlement Disclosure Form showing which party paid the SRETT, 3. Proof of the original date of purchase/date of acquisition of the property, 4. Proof of the state equalized valuation (SEV) of the property on the date of original purchase/acquisition, 5. Proof of the SEV of the property in the year of sale. 			
PART 5: CERTIFICATION OF CLAIMANT(S)			
<i>I declare under penalty of perjury that the information on this form and attachments is true and complete to the best of my knowledge.</i>			
Signatures of ALL Claimants exactly as listed on the RECORDED DEED.		Date	

Questions may be directed to Treasury's Special Taxes Division, Miscellaneous Taxes & Fees Unit at 517-636-0515. Assistance is available using TTY through the Michigan Relay Service by calling 1-800-649-3777 or 711.

MAILING INSTRUCTIONS: Mail this completed application and copies of supporting documentation to:

**Michigan Department of Treasury
Special Taxes Division
Miscellaneous Taxes and Fees/SRETT
PO Box 30781
Lansing MI 48909**

TREASURY USE ONLY		
Reviewed by		
Treasury Approval Signature	Printed Name	
Title	Date	Amount Approved for Refund

Frequently Claimed Exemptions from the State Real Estate Transfer Tax (SRETT)

Under Section 6 of PA 217 of 2015, as amended, qualified taxpayers may claim an exemption from the SRETT. Enter the section number for the exemption you are claiming in Part 2 of this form. To view all of the exemptions listed in PA 330 of 1993, as amended, see MCL 207.526 at the Michigan Legislature's website at www.legislature.mi.gov. The exemptions used most frequently are listed below.

- (a) A written instrument in which the value of the consideration for the property is less than \$100.00. NOTE: Examples of transfers that qualify for exemption under section 6(a) are gifts or inheritances. Provide proof of the gift or inheritance.
- (i) A conveyance from a spouse or married couple creating or disjoining a tenancy by the entireties in the grantors or the grantor and his or her spouse.
- (j) A conveyance from an individual to that individual's child, stepchild, or adopted child. NOTE: Must submit documentation of relationship. Birth certificates, adoption papers and marriage licenses are documents which may provide proof of relationship.
- (k) A conveyance from an individual to that individual's grandchild, step-grandchild, or adopted grandchild. NOTE: Must submit documentation of relationship. Birth certificates, adoption papers and marriage licenses are documents which may provide proof of relationship.
- (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. NOTE: Must submit a copy of the judgment or order.
- (o) A land contract in which the legal title does not pass to the grantee until the total consideration specified in the contract has been paid. NOTE: Must submit a copy of the signed land contract.
- (u) A written instrument conveying an interest in property for which an exemption is claimed under section 7cc of the general property tax act, 1893 PA 206, MCL 211.7cc, if the state equalized valuation of that 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 transferor for that same interest in property and the transaction was for a price at which a willing buyer and a willing seller would arrive through an arms-length negotiation. Notwithstanding section 22 of 1941 PA 122, MCL 205.22, and section 3(4) of this act, if the seller or the buyer who has paid the tax on behalf of the seller believes that the property was eligible for an exemption under this subdivision at the time of transfer, the seller or the buyer who has paid the tax on behalf of the seller may request a refund from the department in a form and manner determined by the department. This subdivision is retroactive and applies to a sale, exchange, assignment, or transfer on or after June 24, 2011.
- (v) 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.

ADDITIONAL INFORMATION

- You are required to submit either a copy of the RECORDED DEED **OR** form 2705 (L-4258) Real Estate Transfer Tax Valuation Affidavit **and** an official receipt from county treasurer as proof that the SRETT was paid. The recorded deed has the tax stamp and date stamp from the Register of Deeds which shows the amount of county and state transfer taxes paid and the date the deed was recorded. Contact the Register of Deeds in the county in which the property is located or the title company to obtain a copy of the required documents.
- The Settlement Statement (HUD-1) shows which party paid the various costs associated with the purchase and sale of the property. The Settlement Statement lists the costs in a format showing the costs and credits of the seller on one side of the document and of the buyer on the other side. The Settlement Statement must list the costs and credits of both the seller and the buyer. NOTE: Only the party who paid SRETT may claim a refund.
- State Equalized Value (SEV) is a monetary valuation assigned to property by the local assessor. The SEV is found on your property tax statement. In order to qualify for the refund, the SEV in the year of sale must be less than or equal to the SEV in the year you originally acquired the property. Documents must be submitted to show the amounts of the SEV at the time of your acquisition of the property and at the time of sale. Submit a copy of your property tax statements. If you did not retain copies of your property tax statements, contact your local assessor or look online to obtain documentation that indicates the SEV of the property on the date of acquisition and the date of sale of the property.
- "Value" is defined as "the current or fair market worth in terms of legal monetary exchange at the time of the transfer. The tax shall be based on the value of the real property transferred and shall be collected at the time the instrument of conveyance is submitted for recording. In the case of a controlling interest in any entity that owns real property, value shall mean the value of the real property or interest in the real property, apportioned based on the percentage of the ownership interest transferred or acquired in the entity." See MCL 207.522(g).
- Conveyances from a trust are not exempt from SRETT under section 6(j) or section 6(k). To qualify for an exemption from SRETT, a conveyance must be made from the individual directly to that individual's child or grandchild, not from that individual's trust or another legal entity to the individual's child or grandchild. See MCL 207.526(j) and (k).
- Conveyances from a child to that individual's parents are not exempt. Conveyances from a grandchild to that individual's grandparents are not exempt.
- Conveyances from a parent to the spouse of that individual's child are not exempt from SRETT. Conveyances from a grandparent to the spouse of that individual's grandchild are not exempt from SRETT.
- Conveyances between siblings are not exempt from SRETT.