



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

NOTICE
DOCUMENTATION REQUIRED FOR STATE REAL ESTATE TRANSFER TAX
REFUNDS UNDER MCL 207.526(u)

Issued: February 1, 2017

The State Real Estate Transfer Tax (SRETT) is imposed on written instruments transferring any interest in real property. The seller or transferor is liable for the tax, which is due at the time the instrument of conveyance is recorded. However, certain transactions are exempt from the SRETT. MCL 207.526(u) provides an exemption for “[a] written instrument conveying an interest in property for which [a Principal Residence] exemption is claimed . . . if the state equalized valuation [SEV] of that property is equal to or lesser than the [SEV] 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.”

If the SRETT was paid at the time the instrument of conveyance was recorded and the transaction was entitled to an exemption under MCL 207.526(u), the seller – or the buyer who paid the SRETT on behalf of the seller – may claim a refund. A claimant may request the refund by filing Form 2796, *Application for SRETT Refund*, with the Department.

Any request for refund must include documentation to support the claimant’s entitlement to the refund. Copies of the following documents are required to support the claim for the refund:

1. A copy of the recorded instrument with a tax stamp affixed by the county Register of Deeds showing the amount of SRETT paid at the time the instrument was recorded, or a copy of a validated Form 2705, *Real Estate Transfer Tax Valuation Affidavit*, with an official receipt from the county treasurer showing that the SRETT was paid at the time the instrument was recorded.
2. Both the Buyer’s and Seller’s Settlement Statements must be submitted if the sale was a cash sale. A copy of the Settlement Statement (HUD-1) must be submitted for a sale occurring prior to October 3, 2015. For a sale occurring on or after October 3, 2015, the Closing Disclosure Statement must be submitted. The copies must be final and signed by the parties to the transfer. The statements must clearly show which party incurred the liability of the payment of the SRETT. If these documents cannot be located by a claimant, the title company or the person or entity that prepared the documents should be contacted to obtain copies.
3. Proof of the original date of the purchase or acquisition of the property by the seller.

4. Proof of the SEV of the property on the date of the original purchase or acquisition by the seller. The SEV is a monetary value assigned to property by the local assessor. The SEV is found on property tax statements. If a copy of the property tax statement was not retained, contact the local assessor or look online to obtain documentation that shows the SEV of the property for that year.
5. Proof of the SEV of the property in the year of sale.

Only the party that paid the SRETT may claim the refund. It is the claimant's legal burden to prove it is qualified for the refund. Please follow all other instructions on Form 2796.

Form 2796, *Application for SRETT Refund*, is available online at www.michigan.gov/treasury.