



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

**NOTICE TO TAXPAYERS REGARDING SUFFICIENT
DOCUMENTATION WHEN CLAIMING EXEMPTION FROM
STATE REAL ESTATE TRANSFER TAX UNDER MCL 207.526(u)**

Issued: February 1, 2017

Updated: July 9, 2018

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. Only the party that paid the SRETT may claim a refund. For all SRETT refund requests, including exemption (u), the claimant must demonstrate he or she actually paid the SRETT, was exempt under SRETT Act, and is entitled to a refund.

Specific to refund claims under exemption (u), the claimant must provide a copy of the claimant’s final, signed HUD-1 Settlement Statement, Closing Disclosure Statement, or Settlement Statement clearly indicating that the claimant incurred the SRETT. The Department will not require a copy of the other party’s statements so long as the submitted statements clearly indicate the party that incurred the liability.

If the documentation submitted is not sufficient for the Department to confirm that the claimant incurred and paid the SRETT, the Department will request additional supporting information from the claimant. If the required documents cannot be located by the claimant, the claimant should contact the escrow agent, title company, or attorney that prepared their documents.

Questions regarding SRETT refund requests may be directed to the Department’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.

Refund requests should be made by completing Form 2796, **Application for State Real Estate Transfer Tax (SRETT) Refund**. The completed application and copies of supporting documentation should be mailed to:

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

Please follow all the instructions on Form 2796 that is available online at www.michigan.gov/treasury.