

**Report on Public Policy Position****Name of section:**

Real Property Law Section

**Contact person:**

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**Bill Number:**

[HB 6122](#) (Bieda) Taxation; state real estate transfer; definitions, transfers, and payment of tax procedure; modify. Amends secs. 2, 3, 6 & 12 of [1993 PA 330](#) (MCL. [207.522](#) et seq.).

**Date position was adopted:**

November 5, 2008

**Process used to take the ideological position:**

Position adopted after discussion and vote at a scheduled meeting.

**Number of members in the decision-making body:**

18

**Number who voted in favor and opposed to the position:**

15 Voted for position

1 Voted against position

2 Did not vote

**Position:**

Oppose

**Explanation of the position, including any recommended amendments:**

The Section opposes HB 6122, which would trigger a State transfer tax under the transfer of a certain percentage of ownership interests in an entity that owns real property. The reasons for opposition are:

1. The bill's definition of a "transfer" of an ownership interest is inconsistent with how transfers of ownership interests are defined under other related statutes (e.g., under the General Property Tax Act) and will lead to confusion.
2. The timing of payment of the transfer tax under the bill is unclear and will create substantial uncertainty in the bill's implementation.
3. The determination of value of the interest transferred is unclear and will create substantial uncertainty in the bill's implementation.

4. The exemptions are inconsistent with the exemptions for transfers under the General Property Tax Act and will lead to confusion.

**The text of any legislation, court rule, or administrative regulation that is the subject of or referenced in this report.**

<http://legislature.mi.gov/doc.aspx?2008-HB-6122>