

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 249

S.P. 95

In Senate, February 2, 1993

An Act to Exempt Certain Real Estate Transfers from the Real Estate Transfer Tax.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot.

Be it enacted by the People of the State of Maine as follows:

2
4 **Sec. 1. 36 MRSA §4641-C**, as amended by PL 1985, c. 691, §32,
is further amended to read:

6 **§4641-C. Exemptions**

8 The following deeds shall ~~be~~ are exempt from the tax imposed
10 by this chapter:

12 1. **Deeds to government property.** Deeds to property
of their instrumentalities, agencies or subdivisions;

14 2. **Mortgage deeds.** Mortgage deeds, discharges of mortgage
16 deeds and partial releases of mortgage deeds;

18 3. **Deeds affecting a previous deed.** Deeds which ~~that~~,
without additional consideration, confirm, correct, modify or
20 supplement a deed previously recorded;

22 4. **Deeds between family members.** Deeds between husband and
wife, or parent and child, without actual consideration therefor;

24 5. **Tax deeds.** Tax deeds;

26 6. **Deeds of partition.** Deeds of partition;

28 7. **Deeds pursuant to mergers.** Deeds made pursuant to
30 mergers of corporations;

32 8. **Deeds by subsidiary corporation.** Deeds made by a
subsidiary corporation to its parent corporation for no
34 consideration other than the cancellation or surrender of the
subsidiary's stock;

36 9. **Deeds prior to October 1, 1975.** Deeds dated or
38 acknowledged prior to October 1, 1975, and offered for recording
subsequent to that date. ;

40 10. **Deeds by parent corporation.** Deeds made by a parent
42 corporation to its subsidiary corporation for no consideration
other than shares of stock of the subsidiary corporation; and

44 11. **Deeds of distribution.** Deeds of distribution made
46 pursuant to Title 18-A. ;

48 12. Deeds to a trustee, nominee or straw. Any deeds:

50 A. To a trustee, nominee or straw party for the grantor as
52 beneficial owner;

2 B. For the beneficial ownership of a person other than the
4 grantor when, if that person were the grantee, no tax would
6 be imposed upon the conveyance pursuant to this chapter; or

8 C. From a trustee, nominee or straw party to the beneficial
10 owner; and

12 13. Partnership and corporate deeds. Any deeds to or from
14 a corporation or a general or limited partnership, when the
16 grantor or grantee owns stock of the corporation or an interest
18 in the partnership in the same proportion as the grantor's or
20 grantee's interest in, or ownership of, the real estate being
22 conveyed; except, however, that this subsection does not apply to
24 any distribution in liquidation or other conveyance resulting
26 from the partial or complete liquidation of a corporation, unless
28 the stock of the corporation being liquidated has been held by
30 the grantor or grantee for more than 3 years. This subsection
32 does not apply to any conveyance from a partnership to its
34 partners unless the partners' interest in the partnership has
36 been held for more than 3 years.

STATEMENT OF FACT

38 Current law imposes a tax on certain types of real estate
40 conveyances at the time the deeds are recorded. Certain deeds
are exempted from this tax, including deeds of governmental
agencies, mortgage deeds, correcting deeds, family deeds without
consideration, deeds of distribution, tax deeds, deeds of
partition, deeds pursuant to corporate mergers and deeds between
corporations and their subsidiaries.

This bill adds to the list of deeds exempted deeds to
fiduciaries when the grantor continues to be the beneficial owner
or when the grantee is otherwise already exempt; and deeds to or
from a corporation or partnership when the interest of each
stockholder or partner is to be proportionate to the value of the
real estate being conveyed into the corporation or partnership
from each owner.