

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1883

S.P. 661

In Senate, March 16, 1999

**An Act to Ensure that Certain Land Transfers Accomplished through
Stock Transfers are not Exempt from the Transfer Tax.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MICHAUD of Penobscot.
Cosponsored by Senators: NUTTING of Androscoggin, TREAT of Kennebec,
Representatives: SHIAH of Bowdoinham, STANLEY of Medway.

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

2
4 **Sec. 1. 36 MRSA §4641-C, sub-§7,** as amended by PL 1993, c.
398, §4, is further amended to read:

6 **7. Deeds pursuant to mergers.** Deeds made pursuant to
mergers of corporations from which no gain or loss is recognized
8 under the Internal Revenue Code, except a deed to unimproved or
undeveloped land in excess of 100 acres;

10 **Sec. 2. 36 MRSA §4641-C, sub-§8,** as amended by PL 1981, c.
12 148, §1, is further amended to read:

14 **8. Deeds by subsidiary corporation.** Deeds made by a
subsidiary corporation to its parent corporation for no
16 consideration other than the cancellation or surrender of the
subsidiary's stock, except a deed to unimproved or undeveloped
18 land in excess of 100 acres;

20 **Sec. 3. 36 MRSA §4641-C, sub-§10,** as amended by PL 1993, c.
22 398, §4, is further amended to read:

24 **10. Deeds by parent corporation.** Deeds made by a parent
corporation to its subsidiary corporation for no consideration
26 other than shares of stock of the subsidiary corporation, except
a deed to unimproved or undeveloped land in excess of 100 acres;

28 **Sec. 4. 36 MRSA §4641-C, sub-§16,** as repealed and replaced by
30 PL 1995, c. 462, Pt. A, §69, is amended to read:

32 **16. Certain corporate, partnership and limited liability**
company deeds. Deeds between a family corporation, partnership,
34 limited partnership or limited liability company and its
stockholders, partners or members for the purpose of transferring
36 real property in the organization, dissolution or liquidation of
the corporation, partnership, limited partnership or limited
38 liability company under the laws of this State, if the deeds are
given for no actual consideration other than shares, interests or
40 debt securities of the corporation, partnership, limited
partnership or limited liability company. For purposes of this
42 subsection a family corporation, partnership, limited partnership
or limited liability company is a corporation, partnership,
44 limited partnership or limited liability company in which the
majority of the voting stock of the corporation, or of the
46 interests in the partnership, limited partnership or limited
liability company, is held by and the majority of the
48 stockholders, partners or members are persons related to each
other, including by adoption, as descendants or as spouses of
50 descendants of a common ancestor who was also a transferor of the
real property involved, or persons acting in a fiduciary capacity

2 for persons so related. This subsection does not apply to a deed
3 to unimproved or undeveloped land in excess of 100 acres;

4 **Sec. 5. 36 MRSA §4641-C, sub-§18**, as enacted by PL 1995, c.
5 462, Pt. A, §71, is amended to read:

6
7 **18. Limited liability company deeds.** Deeds to a limited
8 liability company from a corporation, a general or limited
9 partnership or another limited liability company, when the
10 grantor or grantee owns an interest in the limited liability
11 company in the same proportion as the grantor's or grantee's
12 interest in or ownership of the real estate being conveyed,
13 except a deed to unimproved or undeveloped land in excess of 100
14 acres.

16
17 **SUMMARY**

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19 This bill amends exemptions from real estate transfer tax
20 that certain businesses currently enjoy. This bill removes from
21 these exemptions, and thus makes subject to the transfer tax,
22 transfers involving deeds to unimproved or undeveloped land in
excess of 100 acres.