



With lower property values due to our struggling economy, many homeowners have been able to take advantage of an exemption contained in the Michigan Transfer Tax Act. **If you meet the criteria, you may be exempt from paying the state transfer tax (which is \$3.75 for each \$500 increment of sales price).**

*As always, you should contact your tax advisor and/or CPA for more*

Review the following to see if you may be exempt in an upcoming sale, and/or you may be due a refund from a previous sale:

- 1. The property must have been occupied as a principle residence - classified as homestead property.**
- 2. The property's SEV for the calendar year in which the transfer is made must be less than or equal to the property's SEV for the calendar year in which the seller acquired the property.**
- 3. The property cannot be transferred for consideration exceeding its "true cash value" for the year of the transfer.**

Let's make people-speak out of this...

If for instance the SEV of the homestead principle residence when acquired in 2005 is \$100,000, and the current SEV on the property is \$90,000, then the first two criteria have been met.

To establish the "true cash value" of the property, you must double the CURRENT SEV at the time of transfer. In this scenario, the true cash value would be \$180,000. If the property sold for \$170,000, then the 3rd criteria has been met of Exemption "u" as designated by the Michigan Transfer Tax Act.

Presently, you have 4 years from the date of transfer to apply for this refund. If you have questions, contact Derek Bauer. You can access the form and read more about the exemptions by following the links below...

[ACCESS REFUND FORM HERE](#)

[Read more about the state of Michigan transfer tax exemptions](#)

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is licensed in Real Estate in the State of Michigan, is not an attorney, and can not and does not provide legal advice and/or counsel.