

## Resources

### The Sale of Your Residence May Be Exempt from the Michigan Real Estate Transfer Tax

The Michigan Supreme Court reverses a denial of exemption of sale of principal residence from the State real estate transfer tax

**August 13, 2015**

In a July 9, 2015, opinion, the Michigan Supreme Court held that taxpayers who sell their principal residences (in which a Principal Residence Exemption was claimed under MCL 211.7cc), in an arms-length transaction, are entitled to refunds of the real estate transfer tax under the real estate transfer tax exemption set forth in MCL 207.526(u), when the state equalized value of the property at the time of the sale was less than it was at the time of the original purchase.

In order to receive a refund of real estate transfer tax paid, Form 2796 must be filed with the Department of Treasury within four years and 15 days from the date of sale or transfer of the property. The following documentation must be submitted with the Form;

1. Proof of date of purchase and SEV in year of purchase;
2. Proof of date of sale and SEV in year of sale;
3. Proof of State real estate transfer tax paid to Register of Deeds (copy of recorded deed containing Real Estate Transfer Tax stamp, or official receipt from county treasurer and form L-4258, Real Estate Transfer Tax Valuation Affidavit);
4. Proof of sales price of property.

If you would like to determine if the sale of your principal residence qualifies under this exemption, please contact Carl Rashid, Jr., (313-568-5422) or your Dykema relationship attorney.

### Practice Areas

#### Real Estate

As part of our service to you, we regularly compile short reports on new and interesting developments and the issues the developments raise. Please recognize that these reports do not constitute legal advice and that we do not attempt to cover all such developments. Rules of certain state supreme courts may consider this advertising and require us to advise you of such designation. Your comments are always welcome. © 2021 Dykema Gossett PLLC.