

## §4641-C. Exemptions

The following are exempt from the tax imposed by this chapter: [PL 2001, c. 559, Pt. I, §5 (AMD); PL 2001, c. 559, Pt. I, §15 (AFF).]

**1. Governmental entities.** Deeds to property transferred to or by the United States, the State of Maine or any of their instrumentalities, agencies or subdivisions. For the purposes of this subsection, only the United States, the State of Maine and their instrumentalities, agencies and subdivisions are exempt from the tax imposed by section 4641-A; except that real property transferred to the Department of Transportation or the Maine Turnpike Authority for transportation purposes; gifts of real property to governmental entities; and deeds transferring real property to governmental entities from a bona fide nonprofit land conservation organization are exempt from the tax; [PL 1997, c. 504, §10 (AMD).]

**2. Mortgage deeds, deeds of foreclosure and deeds in lieu of foreclosure.** Mortgage deeds, discharges of mortgage deeds and partial releases of mortgage deeds.

A. For the purposes of this subsection, only the mortgagor is exempt from the tax imposed for a deed in lieu of foreclosure. [PL 2013, c. 521, Pt. A, §3 (NEW).]

B. In the event of a transfer, by deed, assignment or otherwise, to a 3rd party at a public sale held pursuant to Title 14, section 6323, the tax imposed upon the grantor by section 4641-A applies only to that portion of the proceeds of the sale that exceeds the sums required to satisfy in full the claims of the mortgagee and all junior claimants originally made parties in interest in the proceedings or having subsequently intervened in the proceedings as established by the judgment of foreclosure and sale. The tax must be deducted from the excess proceeds. [PL 2013, c. 521, Pt. A, §3 (NEW).]

C. In the event of a transfer, by deed, assignment or otherwise, from a mortgagee or its servicer to the mortgagee or its servicer or to the owner of the mortgage debt at a public sale held pursuant to Title 14, section 6323, the mortgagee or its servicer if the servicer is the selling entity is considered to be both the grantor and grantee for purposes of section 4641-A. [PL 2013, c. 521, Pt. A, §3 (NEW).]

D. In the event of a deed in lieu of foreclosure and a deed from a mortgagee or its servicer to the mortgagee or its servicer or to the owner of the mortgage debt at a public sale held pursuant to Title 14, section 6323, the tax applies to the value of the property. [PL 2013, c. 521, Pt. A, §3 (NEW).]

For the purposes of this subsection, "servicer" means a person or entity that acts on behalf of the owner of a mortgage debt to provide services related to the mortgage debt, including accepting and crediting payments from the mortgagor, issuing statements and notices to the mortgagor, enforcing rights of the owner of a mortgage debt and initiating and pursuing foreclosure proceedings; [PL 2013, c. 521, Pt. A, §3 (RPR).]

**3. Deeds affecting a previous deed.** Deeds that, without additional consideration and without changing ownership or ownership interest, confirm, correct, modify or supplement a deed previously recorded; [PL 1997, c. 504, §11 (AMD).]

**4. Deeds between certain family members.** Deeds between spouses, parent and child or grandparent and grandchild, without actual consideration for the deed, and deeds between spouses in divorce proceedings; [PL 2017, c. 288, Pt. B, §8 (AMD).]

**5. Tax deeds.** Tax deeds; [PL 1977, c. 318, §1 (NEW).]

**6. Deeds of partition.** Deeds of partition when the interest conveyed is without consideration. However, if any of the parties take shares greater in value than their undivided interest, a tax is due on the difference between their proportional undivided interest and the greater value, computed at the rate set forth in section 4641-A;

[PL 1993, c. 398, §4 (AMD).]

**7. Deeds pursuant to mergers or consolidations.** Deeds made pursuant to mergers or consolidations of business entities, from which no gain or loss is recognized under the Code. For purposes of this subsection, "business entity" means an association or legal entity organized to conduct business, including, without limitation, a domestic or foreign corporation, a limited partnership, a general partnership, a limited liability partnership, a limited liability company, a joint venture, a joint stock company or a business trust;

[PL 2009, c. 361, §26 (AMD); PL 2009, c. 361, §37 (AFF).]

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

[PL 1981, c. 148, §1 (AMD).]

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

[PL 1993, c. 398, §4 (AMD).]

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

[PL 1993, c. 398, §4 (AMD).]

**11. Deeds of distribution.** Deeds of distribution made pursuant to Title 18-B or Title 18-C;

[PL 2017, c. 402, Pt. C, §106 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

**12. Deeds executed by public officials.** Deeds executed by public officials in the performance of their official duties;

[PL 1993, c. 398, §4 (NEW).]

**13. Deeds of foreclosure and in lieu of foreclosure.**

[PL 2009, c. 402, §23 (RP).]

**14. Deeds given pursuant to the United States Bankruptcy Code.** Deeds given pursuant to the United States Bankruptcy Code;

[PL 1993, c. 398, §4 (NEW).]

**15. Deeds; trustee, nominee or straw party.** Any deeds:

A. To a trustee, nominee or straw party for the grantor as beneficial owner; [PL 1993, c. 398, §4 (NEW).]

B. To a trustee, nominee or straw party for the beneficial ownership of a person other than the grantor when, if that person were the grantee, a tax would not be imposed upon the conveyance pursuant to this chapter; or [PL 2023, c. 360, Pt. A, §10 (AMD).]

C. From a trustee, nominee or straw party to the beneficial owner; [PL 1993, c. 647, §2 (AMD); PL 1993, c. 718, Pt. B, §10 (AMD).]

[PL 2023, c. 360, Pt. A, §10 (AMD).]

**16. Certain corporate, partnership and limited liability company deeds.** Deeds between a family corporation, partnership, limited partnership or limited liability company and its stockholders, partners or members for the purpose of transferring real property in the organization, dissolution or liquidation of the corporation, partnership, limited partnership or limited liability company under the laws of this State, if the deeds are given for no actual consideration other than shares, interests or debt securities of the corporation, partnership, limited partnership or limited liability company. For purposes

of this subsection a family corporation, partnership, limited partnership or limited liability company is a corporation, partnership, limited partnership or limited liability company in which the majority of the voting stock of the corporation, or of the interests in the partnership, limited partnership or limited liability company is held by and the majority of the stockholders, partners or members are persons related to each other, including by adoption, as descendants or as spouses of descendants of a common ancestor who was also a transferor of the real property involved, or persons acting in a fiduciary capacity for persons so related;

[PL 1995, c. 462, Pt. A, §69 (RPR).]

**17. Deeds to charitable conservation organizations.** Deeds for gifts of land or interests in land granted to bona fide nonprofit institutions, organizations or charitable trusts under state law or charter, a similar law or charter of any other state or the Federal Government that meet the conservation purposes requirements of Title 33, section 476, subsection 2, paragraph B without actual consideration for the deeds;

[PL 1999, c. 638, §45 (AMD).]

**18. Limited liability company deeds.** Deeds to a limited liability company from a corporation, a general or limited partnership or another limited liability company, when the grantor or grantee owns an interest in the limited liability company in the same proportion as the grantor's or grantee's interest in or ownership of the real estate being conveyed;

[PL 2001, c. 559, Pt. I, §6 (AMD); PL 2001, c. 559, Pt. I, §15 (AFF).]

**19. Change in identity or form of ownership.** Any transfer of real property, whether accomplished by deed, conversion, merger, consolidation or otherwise, if it consists of a mere change in identity or form of ownership of an entity. This exemption is limited to those transfers when no change in beneficial ownership is made and may include transfers involving corporations, partnerships, limited liability companies, trusts, estates, associations and other entities;

[PL 2017, c. 402, Pt. E, §2 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

**20. Controlling interests.** Transfers of controlling interests in an entity with a fee interest in real property if the transfer of the real property would qualify for exemption if accomplished by deed of the real property between the parties to the transfer of the controlling interest; and

[PL 2017, c. 402, Pt. E, §3 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

**21. Transfers pursuant to transfer on death deed.** Any transfer of real property effectuated by a transfer on death deed pursuant to Title 18-C, Article 6, Part 4.

[PL 2017, c. 402, Pt. E, §4 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

#### SECTION HISTORY

PL 1975, c. 572, §1 (NEW). PL 1975, c. 655, §1 (AMD). PL 1977, c. 318, §1 (RPR). PL 1977, c. 394 (AMD). PL 1981, c. 148, §§1-3 (AMD). PL 1985, c. 691, §32 (AMD). PL 1993, c. 373, §5 (AMD). PL 1993, c. 398, §4 (AMD). PL 1993, c. 647, §§1-4 (AMD). PL 1993, c. 680, §A31 (AMD). PL 1993, c. 718, §§B10-12 (AMD). PL 1995, c. 462, §§A69-71 (AMD). PL 1995, c. 479, §1 (AMD). PL 1995, c. 479, §2 (AFF). PL 1997, c. 504, §§10-12 (AMD). PL 1999, c. 638, §§44-47 (AMD). PL 2001, c. 559, §§15-8 (AMD). PL 2001, c. 559, §115 (AFF). PL 2003, c. 344, §D26 (AMD). PL 2005, c. 397, §C21 (AMD). PL 2005, c. 397, §C22 (AFF). PL 2005, c. 519, §§SSS1 (AMD). PL 2005, c. 519, §§SSS2 (AFF). PL 2009, c. 361, §26 (AMD). PL 2009, c. 361, §37 (AFF). PL 2009, c. 402, §§22, 23 (AMD). PL 2013, c. 521, Pt. A, §3 (AMD). PL 2017, c. 288, Pt. B, §8 (AMD). PL 2017, c. 402, Pt. C, §106 (AMD). PL 2017, c. 402, Pt. E, §§2-4 (AMD). PL 2017, c. 402, Pt. F, §1 (AFF). PL 2019, c. 417, Pt. B, §14 (AFF). PL 2023, c. 360, Pt. A, §10 (AMD).

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