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An Act To Clarify the Application of the Real Estate Transfer Tax in Regards to Section 1031 Exchanges

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

Sec. 1. 36 MRSA §4641-A, sub-§3 is enacted to read:

3. Qualified intermediary; real estate transfer tax. With regards to transfers of real property involving a qualified intermediary pursuant to Section 1031 of the Code, the rate of tax specified in this section applies to the transfer of real property to a qualified intermediary and does not apply to the transfer of real property from a qualified intermediary.

SUMMARY

This bill clarifies that the real estate transfer tax applies to the transfer of real property to a qualified intermediary pursuant to Section 1031 of the Internal Revenue Code and does not apply to the transfer of real property from a qualified intermediary.