

# Deed Tax

Form DT1 may be used to document your claim for an exempt or minimum tax transfer. Note: In the absence of a qualifying reason, deed tax must be based on at least the fair market value of the property being conveyed (M.S. 287.20, subd. 2). The "full" deed tax rate is .0033 (.0034 in Hennepin/Ramsey Counties).

|                 |                    |  |
|-----------------|--------------------|--|
| <b>Deed Tax</b> | Name of Grantor    | Enter Reason Code (see below)  |
|                 | Name of Grantee    |  |
|                 | Property ID Number | Deed Tax Amount  |
|                 |                    |  |
|                 |                    | <b>Minimum Tax = \$1.65</b><br>(\$1.70 for Hennepin and Ramsey counties) |

|                  |   |                           |               |          |
|------------------|---|---------------------------|---------------|----------|
| <b>Sign Here</b> | <b>Grantor, grantee or representative, sign below</b>   |                           |               |          |
|                  | <i>I declare that the information on this certificate is correct and complete to the best of my knowledge and belief. I understand that there are penalties for underpayment of tax (M.S. 287.31 and M.S. 287.325).</i> |                           |               |          |
|                  | Signature of Grantor/Grantee or Authorized Agent  | Title                     | Date          |          |
|                  | Print Name  | E-mail Address (optional) | Daytime Phone |          |
|                  | Address   | City                      | State         | ZIP Code |

If you have questions, call 651-556-4721.

## Reason codes

### Exempt transfers

- 1 Transfer of real property by court order. The change in ownership must result from the order itself.
- 2 Transfer of real property through certificate of sale issued to the purchaser in a mortgage or lien foreclosure sale.
- 3 Transfer of real property through a certificate of redemption issued to the redeeming mortgagor, their heir, devisee or representative.
- 4 Deed to or from the federal government.
- 5 Deed conveying real property located within the historic boundaries of a federally recognized American Indian tribe if the grantor or grantee is the tribal government or member of a tribe.
- 6 Deed between the parties to a marriage dissolution pursuant to the terms of the dissolution decree.
- 7 Deed conveying a cemetery lot or lots.
- 8 Deed by a personal representative distributing the decedent's property according to the terms of the will or probate court order.
- 9 Transfer on death deed defined under M.S. 507.071.
- 10 Deed between co-owners partitioning their undivided interest in the same piece of property.
- 11 Deed to a builder for the purpose of obtaining financing to build an improvement for the grantor. Upon completion the real property is conveyed to the land owner.

- 12 Transfer pursuant to a permanent school fund land exchange under M.S. 92.121 and related laws.
- 13 Deed or other instrument that grants, creates, modifies or terminates an easement.
- 14 Deed transferring real property pursuant to a Ch. 11 or Ch. 12 plan of reorganization.
- 15 Deed resulting from a business conversion as listed in M.S. 287.21.

### Minimum tax transfers

Designated transfers (codes 16 through 20).

- 16 Deed between a sole owner and entity owned directly or indirectly by that sole owner, or between two entities owned directly or indirectly by the sole owner.
- 17 Deed between a husband and wife and an entity owned directly or indirectly by the couple, or between two entities owned directly or indirectly by the couple.
- 18 Deed between co-owners and an entity owned directly or indirectly by the co-owners, or between two entities owned directly or indirectly by the co-owners.
- 19 Deed between a grantor and a revocable trust created by that grantor.
- 20 Deed transferring substantially all assets of a corporation pursuant to a reorganization under IRC section 368(a).
- 21 Deed transferring substantially all assets of a partnership pursuant to a continuation under IRC section 708.

**Ownership change provision:** Any ownership change in the grantee/transferee entity within six months after a designated transfer triggers a **retroactive deed tax**.

- 22 Deed of real property resulting from the consolidation or merger of two or more corporations, limited liability companies, or partnerships, or any combination of such entities.
- 23 Deed gifting real property.
- 24 Deed given in lieu of foreclosure. Deed includes non-merger language and the FMV of the property minus the mortgage lien is \$3,000 or less.
- 25 Deed correcting error for less than \$3,000 of consideration (corrective deed).
- 26 Deed from an intermediary as part of an IRC section 1031 exchange. The intermediary's total document fee for the transfer is \$3,000 or less. A "full" deed tax was paid on the FMV of the real property when the transfer was made to the intermediary.
- 27 Deed written between a principal and agent, and the agent's total compensation for the entire transaction, monetary or otherwise, is less than \$3,000.
- 28 If above codes do not apply, use Code 28 and explain below or attach a separate sheet.