

**REAL ESTATE TRANSFER FEE**

The following is a brief description of the real estate transfer fee. It is intended to give an overview of the how the fee works, the amount of revenue collected under the fee, and a list of the types of transfers that are exempt from the fee. A detailed description of how to file a real estate transfer fee return and how to determine whether an exemption applies is available in the Publications section of the Department of Revenue's website.

**Background**

The state real estate transfer fee was first imposed in 1969 when the federal stamp tax on real property transfers was repealed. The current fee is \$0.30 for each \$100 of value or fraction thereof (an effective rate of 0.30%). The fee is generally paid on the full consideration paid, including any liens on the property. However, for transfers that are a gift or for nominal consideration, the fee is calculated on the estimated market value of the property. Value data on real estate transfer fee returns are the primary source of data used by the Department of Revenue (DOR) for the annual certification of municipal equalized values.

As of July 1, 2009, all real estate transfer fee returns are to be filed electronically. The electronic fee return is available on the DOR's web site. If a return is filed correctly, a receipt is generated. This receipt, along with the property deed and the proper fee, are filed with the register of deeds to complete the transfer process. The county generally retains 20% of fee collections and remits the remaining 80% to the state.

The table below shows the state and county share of the fee since 2000. The data are for calendar years, not state fiscal years.

**REAL ESTATE TRANSFER FEE  
 State and County Collections**

Year	State	County	Total
2000	\$ 43,215,764	\$ 10,816,032	\$ 54,031,796
2001	46,308,159	11,585,445	57,893,604
2002	54,190,894	13,549,606	67,740,500
2003	61,905,981	15,320,505	77,226,486
2004	70,803,924	17,906,553	88,710,477
2005	79,903,395	20,054,173	99,957,568
2006	74,756,024	18,714,449	93,290,473
2007	66,030,122	17,168,799	83,198,921
2008	50,077,585	12,521,158	62,598,743

**Exemptions from the Fee**

A transfer is considered taxable unless otherwise provided by law. Some transfers are exempt because they do not meet the definition of a "conveyance". For example, easements and leases for less than 99 years are exempt from the fee because they are not deemed

"conveyances", or sales, for purposes of the fee. Other transactions are exempt from the fee because they are specified as exempt under state law. The exempt transfers, as of October 1, 2009, are listed in s. 77.25 of the state statutes, and are discussed by statutory subsection number below.

Conveyances exempt from the fee are those that are:

- (1) Effective prior to October 1, 1969 [the date the fee went into effect].
- (2) From the United States, this state, or any instrumentality, agency or subdivision of the United States or this state.
- (2g) By gift to the United States, this state, or to any instrumentality, agency or subdivision of the United States or this state.
- (2r) Any dedication of land for public purposes under s. 236.29 (1) or (2) [recoding of a plat] or s. 236.34 (1) (e) [recording of a certified survey], or for the purpose of a road, street or highway, to the United States, this state, or any instrumentality, agency or subdivision of either.
- (3) Transfers for nominal, inadequate, or no consideration for the purpose of confirming, correcting, or reforming a previously recorded transfer.
- (4) Transfers due to sales to recover delinquent taxes or assessments.
- (5) On partition [the division of a parcel into smaller parcels with no change in ownership].
- (6) Pursuant to mergers of corporations.
- (6d) Pursuant to partnerships registering as limited liability partnerships under s. 178.40 [the enabling statute for such partnerships].
- (6m) Pursuant to the conversion of a business entity to another form of business entity under s. 179.76 [domestic limited partnership], s. 180.1161 [domestic business corporation], s. 181.1161 [domestic non-stock corporation], or s. 183.1207 [domestic limited liability company], if, after the conversion, the ownership interests in the new entity are identical with the ownership interests in the original entity immediately preceding the conversion.
- (7) By a subsidiary corporation to its parent for no or nominal consideration, or in consideration of cancellation, surrender, or transfer of capital stock between parent and subsidiary corporation.
- (8) Between parent and child, stepparent and stepchild, parent and son-in-law or parent and daughter-in-law for nominal or no consideration.
- (8m) Between husband and wife.
- (8n) Between an individual and his or her domestic partner under Chapter 770 (the "Domestic Partnership" Law). (This exemption took effect on August 1, 2009.)
- (9) Between agent and principal or from a trustee to a beneficiary without actual consideration.

- (10) Solely in order to provide or release security for a debt or obligation.
- (10m) Solely to designate a time of death (TOD) beneficiary under s. 705.15 [statute that permits non-probate transfers of property at time of death].
- (11) By will, descent or survivorship.
- (11m) By non-probate transfer on death under s. 705.15 [statute that permits non-probate transfers of property at death].
- (12) Pursuant to or in lieu of condemnation.
- (13) Of real estate having a value of \$100 or less.
- (14) Under a foreclosure or a deed in lieu of a foreclosure to a person holding a mortgage or to a seller under a land contract.
- (15) Between a corporation and its shareholders if all of the stock is owned by persons who are related to each other as spouses, as lineal ascendants, lineal descendants or siblings, whether by blood or by adoption, or as spouses of siblings, if the transfer is for no consideration except the assumption of debt or stock of the corporation and if the corporation owned the property for at least 3 years.
- (15m) Between a partnership and one or more of its partners if all of the partners are related to each other as spouses, as lineal ascendants, lineal descendants or siblings, whether by blood or by adoption, or as spouses of siblings and if the transfer is for no consideration other than the assumption of debt or an interest in the partnership.
- (15s) Between a limited liability company and one or more of its members if all of the members are related to each other as spouses, as lineal ascendants, lineal descendants or siblings, whether by blood or by adoption, or as spouses of siblings and if the transfer is for no consideration other than the assumption of debt or an interest in the limited liability company.
- (16) To a trust if a transfer from the grantor to the beneficiary of the trust would be exempt under this section.
- (17) Of a deed executed in fulfillment of a land contract if the proper fee was paid when the land contract or an instrument evidencing the land contract was recorded. [The fee on land contracts filed before August 1, 1992, is deferred until the contract is fulfilled. The fee on land contracts filed after July 31, 1992, is due when the contract is filed.]
- (18) To a local exposition district under Subchapter II of Chapter 229 [the statute that permits local exposition districts to be created].
- (20) Made under s. 184.15. [The statute covers transfers from a fiduciary which held property for the benefit of an unincorporated nonprofit association to the unincorporated nonprofit association in the association's own name.]
- (21) Of transmission facilities or land rights to a transmission company, as defined in s. 196.485 (1) (ge), under s. 196.485 (5) (b) or (c) or (6) (a) 1. in exchange for securities [ownership interest in the buyer], as defined in s. 196.485 (1) (fe). [S. 196.485 sets out governing transmission

system requirements and the Public Service Commission of Wisconsin's role in overseeing such systems].

### Fiscal Effect of the Exemptions

About 212,000 transfer fee returns were filed in calendar 2007. A fee exemption was claimed on about 74,000, or 39% of the returns. As a result, real estate transfer fee collections for 2007 were reduced by about \$37.6 million (\$30.1 million for the state and \$7.5 million for counties). Detailed information on the loss in state revenue for the various exemptions is shown below:

Exemption	Statute	2007 Revenue Loss
Easements	s. 77.21 (1)	Not available
Leases for less than 99 Years	s. 77.21 (1)	Not available
Conveyances Prior to October 1, 1969	s. 77.25 (1)	\$ 13,000
Conveyances by Government Bodies	s. 77.25 (2)	349,000
Gifts to Governments	s. 77.25 (2g)	32,000
Land Dedications and Highways	s. 77.25 (2r)	13,000
Confirmation, Correction, or Reformation of Prior Conveyances	s. 77.25 (3)	1,964,000
Conveyances for Delinquent Taxes	s. 77.25 (4)	21,000
Conveyances on Partition	s. 77.25 (5)	213,000
Conveyances Pursuant to Certain Business Mergers or Reorganizations	s. 77.25 (6), (6d), and (6m)	531,000
Conveyances by Subsidiary Corporation to Parent	s. 77.25 (7)	502,000
Conveyances Between Family Members	s. 77.25 (8) and (8m)	8,976,000
Conveyances Between Agent and Principal	s. 77.25 (9)	1,576,000
Conveyances to Release Debt	s. 77.25 (10)	310,000
Conveyances to Designate TOD Beneficiary	s. 77.25 (10m)	92,000
Conveyances by Will, Descent, or Survivorship	s. 77.25 (11)	321,000
Conveyances by Nonprobate Transfer on Death	s. 77.25 (11m)	21,000
Conveyances on Condemnation	s. 77.25 (12)	37,000
Real Estate Valued at \$100 or Less	s. 77.25 (13)	1,000
Conveyances by or in Lieu of Foreclosure	s. 77.25 (14)	2,778,000
Conveyances Between Business Entities and Their Owners	s. 77.25 (15), (15m), and (15s)	4,769,000
Conveyances to Certain Trusts	s. 77.25 (16)	7,526,000
Fulfillment of Land Contract	s. 77.25 (17)	0
Transfers to a Local Exposition District	s. 77.25 (18)	0
Conveyances from a Fiduciary to an Unincorporated Nonprofit Association	s. 77.25 (20)	55,000
Electric Transmission Facilities and Land Rights	s. 77.25 (21)	1,000
<b>Total</b>		<b>\$ 30,101,000</b>