



MAINE REVENUE SERVICES

CONTROLLING INTEREST TRANSFER TAX RETURN/DECLARATION OF VALUE

For registry use only

This form must be used for reporting transfer of a controlling interest in an entity owning real estate in Maine.
Do not use this form for transfers of real estate by deed. FILE THIS RETURN WITH THE COUNTY REGISTRY OF DEEDS.

1. TRANSFEROR/SELLER	2. TRANSFEREE/BUYER
Name _____	Name _____
Address _____	Address _____
City _____	City _____
State _____ ZIP _____	State _____ ZIP _____
Federal ID Number _____	Federal ID Number _____
Share of Entity Transferred _____ %	Share of Entity Transferred _____ %

3. ENTITY
Name _____
Address _____
City _____ State _____ ZIP _____
Date of Transfer _____ Federal ID Number _____

4. REAL PROPERTY VALUES (Attach extra sheets as necessary. See instructions)				WARNING TO BUYER If the property is classified as farmland, open space, or tree growth, a substantial penalty could be triggered by any change in use of the property. <input type="checkbox"/> Classified <input type="checkbox"/> Not classified
Municipality	Description	Source	Value	
			\$	
			\$	
			\$	
			\$	
			\$	
			Total	\$

5. EXEMPTION Explain the basis for claiming exemption from transfer tax.

6. OATH Aware of penalties set forth in 36 M.R.S. § 4641-K, I declare that I have reviewed this return with the transferor and the transferee and, to the best of my knowledge and belief, the information contained herein is true, correct, and complete. Declaration of preparer is based on information provided by the transferor and the transferee and of which preparer has any knowledge.
Name of Preparer _____ Phone Number _____
Mailing Address _____ Email Address _____
_____ Fax Number _____

MAINE CONTROLLING INTEREST TRANSFER TAX RETURN GENERAL INSTRUCTIONS

This return is to be filed whenever a controlling interest (more than 50%) of an entity with Maine real estate is transferred. Maine imposes a tax on the transfer of Maine real estate, through a deed, from one person to another. The real estate transfer tax also applies to controlling interest transfers when no deed is involved. For the tax to apply when a controlling interest has been transferred, the following must apply:

A. The controlling interest must be transferred to or from a single person or group of persons acting in concert and, if more than one transaction is involved, they must all have occurred within a 12-month period;

B. The entity of which a controlling interest is transferred must have an ownership interest in real estate located in Maine.

The tax is equal to \$2.20 for each \$500 (or portion of \$500) of the market value of property. Half of the tax is imposed on the transferor and half on the transferee. The tax is adjusted by the percentage of interest transferred.

For example, if Individual A sells 80% of Entity B to Individual C and Entity B owns real estate in Maine worth \$100,000, the controlling interest transfer tax would be $\$100,000 \times (\$2.20/\$500) \times 80\% = \352 , \$176 due from Individual A and \$176 due from Individual C. A controlling interest transfer has occurred, even if it consists of more than one transfer within a 12-month period. For example, using the facts above, if Individual A transfers 40% of Entity B to Individual C in January 1, 2018 and another 40% of Entity B in October 1, 2018, a controlling interest has been transferred. In this example, the date of the controlling interest transfer is October 1, when the greater than 50% threshold has been passed.

A transfer of controlling interest is exempt from the real estate transfer tax to the extent that the transfer would qualify for exemption if it were accomplished by deed. See 36 M.R.S. § 4641-C.

Due date. This return, with payment of tax, is due within 30 days of the date of the controlling interest transfer.

SPECIFIC INSTRUCTIONS

Box 1 – Transferor/Seller. Enter information for the transferor of the controlling interest share. If controlling interest has been transferred through multiple transactions over 12 months, enter the share that has been transferred with this transaction and attach returns for all other applicable transactions. The transferor's federal ID number is the federal employer identification number or other number issued by the IRS for income tax purposes. Do not enter a social security number. If you do not have a federal identification number, you may enter all 0s in this field. The share of entity transferred should equal the share of entity transferred in Box 2. If these two numbers are different, attach an explanation.

Box 2 – Transferee/Buyer. Enter information for the transferee of the controlling interest share. If controlling interest has been transferred through multiple transactions over 12 months, enter the share that has been transferred with this transaction and attach returns for all other applicable transactions. The transferee's federal ID number is that person's social security number, employer identification number, or other number issued by the IRS for income tax purposes. The share of entity transferred should equal the share of entity transferred in Box 1. If these two numbers are different, attach an explanation.

Box 3 - Entity. Enter information for the entity being transferred. The entity's federal ID number is

that entity's social security number, employer identification number, or other number issued by the IRS for income tax purposes.

Box 4 – Property Value. Describe all real estate owned by the entity in Box 3 and located in this county. If property is located in more than one county, file separate returns for each affected county. Enter the municipality where the real estate is located. In the Description column, enter the map and lot or the physical location of the property. In the Source column, enter the appropriate code for the source of property value in the following column. Codes: A = appraisal, M = municipal assessed value, P = purchase, O = Other. If other, attach an explanation. In the Value column, enter the full market value of the real estate. The transfer tax is based on this number, as adjusted by the share of entity transferred in Boxes 1 and 2.

Box 5. If the transfer is exempt from the transfer tax, check the box and enter an explanation. Transfers are generally exempt only if the transfer would have been exempt under 36 M.R.S. § 4641-C if a deed was given.

Box 6. Enter preparer information.