



638212

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/03/2010	.	
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The Committee on Finance and Tax (Ring) recommended the following:

Senate Amendment (with title amendment)

Delete lines 17 - 41
and insert:

(11) The taxable consideration for a short sale transfer does not include unpaid indebtedness that is forgiven or released by a mortgagee holding a mortgage on the grantor's interest in the property. For purposes of this subsection, the term "short sale" means a purchase and sale of real property in which all of the following apply:

(a) The grantor's interest is encumbered by a mortgage or mortgages securing indebtedness in an aggregate amount greater



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13 than the purchase price paid by the grantee.

14 (b) A mortgagee releases the real property from its
15 mortgage in exchange for a partial payment of less than the
16 total of the outstanding mortgage indebtedness owed to the
17 releasing mortgagee.

18 (c) The releasing mortgagee does not receive, directly or
19 indirectly, any interest in the property transferred.

20 (d) The releasing mortgagee is not controlled by or related
21 to the grantor or the grantee.

22
23 ===== T I T L E A M E N D M E N T =====

24 And the title is amended as follows:

25 Delete lines 7 - 9

26 and insert:

27 providing an effective date.