

BULLETIN

Old Republic National Title Insurance Company

TO: MA and RI Agents

DATE: May 8, 2009

**RE: MA Corporate Excise Tax Lien May Also Apply to Sale of Real Estate
By Other Entities In Addition to Foreign and Domestic Corporations**

Prior to this year, the Massachusetts corporate excise tax lien imposed by Ch. 62C, s. 51, applied to the sale or transfer, other than in the usual course of business, of all or substantially all of the assets of a foreign or domestic corporation. With the recent enactment of Chapter 173 of the Acts of 2008, [An Act Relative to Tax Fairness and Business Competitiveness](#), effective January 1, 2009, said corporate tax lien has been expanded to apply to other entities which have been classified for the taxable year as a corporation for federal income tax purposes. Those "other entities" include limited partnerships, general partnerships, limited liability partnerships, limited liability companies, joint ventures, joint stock companies, business trusts and profit and not-for-profit unincorporated associations ("Other Entities").

While the number of such Other Entities that would be classified as a corporation for federal income tax purposes may be small, such an off-record classification is an issue of concern.

Consequent to the foregoing, if you are asked to insure a sale or transfer by one of these Other Entities, we ask that the deed contain one of the following recitations:

- A. The Grantor has not been, is not now, and will not be classified as a corporation for federal income tax purposes;
- B. The within conveyance does not constitute the sale or transfer of all or substantially all of the Grantor's assets within the Commonwealth; or
- C. The within conveyance does constitute a sale or transfer in the ordinary course of the Grantor's business.

Of course, a recorded waiver of lien issued by the Commissioner of Revenue would also suffice.

Kindly be advised, if and when a new title standard is issued, we may revise our underwriting guidelines as appropriate.

As always, if you have any questions, please contact the Underwriting Department at 800-370-6466.