

SENATE BILL 76

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Q1

1998 Regular Session  
8lr6005

(PRE-FILED)

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By: **Chairman, Budget and Taxation Committee (Departmental -  
Assessments and Taxation)**

Requested: October 6, 1997

Introduced and read first time: January 14, 1998

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Liability for Taxes on Transferred Property**

3 FOR the purpose of clarifying the time at which the liability for property tax shifts  
4 from the transferor to the transferee of certain property; and providing for the  
5 application of this Act.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - Property  
8 Section 10-402  
9 Annotated Code of Maryland  
10 (1994 Replacement Volume and 1997 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Tax - Property**

14 10-402.

15 (a) (1) Except for tax sales as provided by Title 14, Subtitle 8 of this article,  
16 if real property ownership is transferred [between] ON OR AFTER the date of finality  
17 and BEFORE THE semiannual date of finality, the transferee is liable for the property  
18 tax on real property for the taxable year that begins after the transfer.

19 (2) If real property ownership is transferred [between] ON OR AFTER  
20 July 1 and BEFORE January 1, and the transferee elects a semiannual payment  
21 schedule of property tax for the current taxable year under § 10-204.3 of this title, the  
22 transferor is liable for any semiannual property tax installment that may be due for  
23 the real property in the current taxable year at the time of transfer, and is not liable  
24 for the second semiannual installment that is due after the date of transfer. The  
25 transferee is solely liable for any semiannual property tax installment for the current  
26 taxable year that is due after the date of transfer.

1           (3)     This subsection does not preclude the transferor and the transferee of  
2 real property that is subject to this subsection from adjusting the property tax or  
3 service charges for any year between them.

4     (b)     (1)     If a transfer of all personal property or all the stock in business of a  
5 business occurs [between] ON OR AFTER the date of finality and BEFORE the  
6 semiannual date of finality the property is assessed to the transferee as if the  
7 property were escaped property under § 8-417 of this article, if the transferor or the  
8 transferee files with the Department or the supervisor on or before the October 1  
9 immediately after the date of the transfer a report, under oath, that contains:

10                   (i)     a description of the personal property from the assessment roll;

11                   (ii)    the date and manner of transfer;

12                   (iii)   the name and address of the transferee;

13                   (iv)    the consideration; and

14                   (v)     any other information that the Department requires.

15           (2)     If the report is not filed, the transferor and the transferee are jointly  
16 and severally liable for the next taxable year following the transfer.

17           (3)     This subsection does not apply to any personal property or stock in  
18 business removed from the State before the semiannual date of finality.

19           (4)     If the transferor of personal property that is transferred under this  
20 section has paid the property tax, the transferor may require the transferee to adjust  
21 the property tax with the transferor.

22     (c)     (1)     If a transfer of all personal property or all the stock in business of a  
23 business occurs ON OR after the semiannual date of finality and before the  
24 subsequent year date of finality:

25                   (i)     the property is assessed to the transferor; and

26                   (ii)    the transferor and the transferee are jointly and severally liable  
27 for all taxes due on the property.

28           (2)     If the transferor of personal property that is transferred under this  
29 section has paid the property tax, the transferor may require the transferee to adjust  
30 the property tax with the transferor.

31     SECTION 2.  AND BE IT FURTHER ENACTED, That this Act shall take  
32 effect July 1, 1998, and be applicable to all taxable years beginning on or after July 1,  
33 1998.