

SENATE BILL 76

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1998 Regular Session
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(PRE-FILED)

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

Committee Report: Favorable

Senate action: Adopted

Read second time: January 23, 1998

CHAPTER _____

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

1 schedule of property tax for the current taxable year under § 10-204.3 of this title, the
2 transferor is liable for any semiannual property tax installment that may be due for
3 the real property in the current taxable year at the time of transfer, and is not liable
4 for the second semiannual installment that is due after the date of transfer. The
5 transferee is solely liable for any semiannual property tax installment for the current
6 taxable year that is due after the date of transfer.

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

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

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

17 (ii) the date and manner of transfer;

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

19 (iv) the consideration; and

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

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

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

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

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

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

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

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect July 1, 1998, and be applicable to all taxable years beginning on or after July 1,
3 1998.