
By: Senator Della

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Recordation and Transfer Taxes - Exemption for Transfer Among Affiliated Entities**

3 FOR the purpose of providing an exemption from the recordation tax and State and
4 county transfer taxes, under certain circumstances, for the transfer of real property
5 between certain related business entities.

6 BY adding to

7 Article - Tax - Property
8 Section 12-108(p-1)
9 Annotated Code of Maryland
10 (1994 Replacement Volume and 1995 Supplement)

11 BY repealing and reenacting, with amendments,

12 Article - Tax - Property
13 Section 13-207(a) and 13-405(c)
14 Annotated Code of Maryland
15 (1994 Replacement Volume and 1995 Supplement)

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

18 **Article - Tax - Property**

19 12-108.

20 (P-1) AN INSTRUMENT OF WRITING THAT TRANSFERS REAL PROPERTY
21 BETWEEN A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP TO A
22 RELATED ENTITY, WHETHER A CORPORATION, LIMITED LIABILITY COMPANY, OR
23 PARTNERSHIP, IS NOT SUBJECT TO RECORDATION TAX IF:

24 (1) THE TRANSFEREE ENTITY CONSISTS OF THE SAME OWNERS,
25 WHETHER STOCKHOLDERS, MEMBERS OF A LIMITED LIABILITY COMPANY, OR
26 PARTNERS, OR AN OWNER OF THE TRANSFEREE ENTITY BECAME AN OWNER
27 THROUGH GIFT OR BEQUEST FROM AN OWNER, REGARDLESS OF WHETHER THE
28 OWNERS HOLD IDENTICAL INTERESTS IN THE TRANSFEROR AND TRANSFEREE
29 ENTITY; AND

30 (2) THE TRANSFER IS FOR NO OR NOMINAL CONSIDERATION.

2

1 13-207.

2 (a) An instrument of writing is not subject to transfer tax to the same extent that
3 it is not subject to recordation tax under:

4 (1) § 12-108(a) of this article (Transfer to government or public agency);

5 (2) § 12-108(c) of this article (Transfer between relatives);

6 (3) § 12-108(d) of this article (Transfer between spouses);

7 (4) § 12-108(e) of this article (Supplemental instrument);

8 (5) § 12-108(f) of this article (Previously recorded instrument);

9 (6) § 12-108(l) of this article (Judgments);

10 (7) § 12-108(n) of this article (Order of satisfaction);

11 (8) § 12-108(o) of this article (Participation agreement);

12 (9) § 12-108(p) of this article (Transfer of corporate propertybetween
13 related corporations);

14 (10) § 12-108(P-1) OF THIS ARTICLE (TRANSFER BETWEEN AFFILIATED
15 BUSINESS ENTITIES);

16 (11) § 12-108(q) of this article (Corporate or partnership conveyance);

17 [(11)] (12) § 12-108(r) of this article (Land installment contracts);

18 [(12)] (13) § 12-108(s) of this article (Options to purchase real property);

19 [(13)] (14) § 12-108(t) of this article (Deed for prior contract of sale);

20 [(14)] (15) § 12-108(u) of this article (Leases of 7 years orless);

21 [(15)] (16) § 12-108(v) of this article (Mergers);

22 [(16)] (17) § 12-108(w) of this article (Consolidations); or

23 [(17)] (18) § 12-108(x) of this article (Cooperative housing corporations).

24 13-405.

25 (c) A corporate, limited liability company, or partnership transfer as described in
26 § 12-108(p), (P-1), (q), (v), and (w) of this article is not subject tothe county transfer tax.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1996.