

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 814

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with "Recordation" in line 2 down through "Corporations" in line 3 and substitute "Limited Liability Companies - Tax Exemption for Transfers of Real Property From a Predecessor Entity to a Limited Liability Company"; strike beginning with "providing" in line 4 down through "circumstances" in line 6 and substitute "clarifying that an instrument of writing that transfers title to real property for certain entities to a limited liability company is not subject to recordation and State or county transfer tax under certain circumstances; defining a term; and generally relating to the recordation and State or county transfer tax exemption on certain transfers of real property from certain entities to a limited liability company"; strike beginning with "BY" in line 7 down through "Supplement)" in line 11; in line 14, strike "13-207(a)(17) and (18) and 13-405(c)" and substitute "12-108(y) and 13-207(a)(18)"; and after line 16, insert:

"BY repealing and reenacting, without amendments,

Article - Tax - Property

Section 13-405(c)

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)".

AMENDMENT NO. 2

On pages 1 through 3, strike in their entirety the lines beginning with line 21 on page 1 through line 8 on page 3, inclusive and substitute:

"(y) (1) IN THIS SUBSECTION, "PREDECESSOR ENTITY" INCLUDES A:

(I) GENERAL PARTNERSHIP;

(II) LIMITED PARTNERSHIP;

(Over)

(III) LIMITED LIABILITY PARTNERSHIP;

(IV) LIMITED LIABILITY LIMITED PARTNERSHIP;

(V) PROPRIETORSHIP, COMPRISED OF ONE OR MORE INDIVIDUALS, WHICH IS INVOLVED PRINCIPALLY IN BUYING, SELLING, LEASING, OR MANAGING REAL PROPERTY; AND

(VI) JOINT VENTURE.

(2) An instrument of writing that transfers title to real property from a [partnership] PREDECESSOR ENTITY OR A TRUSTEE OR NOMINEE OF A PREDECESSOR ENTITY to a limited liability company is not subject to recordation tax if:

[(1)] (I) 1. the members of the limited liability company are identical to the partners of the converting GENERAL partnership, LIMITED PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY LIMITED PARTNERSHIP; [and] OR

2. THE MEMBERS OF THE LIMITED LIABILITY COMPANY ARE IDENTICAL TO THE INDIVIDUAL OR INDIVIDUALS OF THE CONVERTING PROPRIETORSHIP; OR

3. THE MEMBERS OF THE LIMITED LIABILITY COMPANY ARE IDENTICAL TO THE JOINT VENTURERS OF THE CONVERTING JOINT VENTURE;

[(2)] (II) each member's allocation of the profits and losses of the limited liability company is identical to that member's allocation of the profits and losses of the converting [partnership] PREDECESSOR ENTITY; AND

(III) THE INSTRUMENT OF WRITING THAT TRANSFERS TITLE TO REAL PROPERTY REPRESENTS THE DISSOLUTION OF THE PREDECESSOR ENTITY FOR PURPOSES OF CONVERSION TO A LIMITED LIABILITY COMPANY.

13-207.

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

(18) § 12-108(y) of this article (Transfer from [partnership] PREDECESSOR ENTITY to limited liability company).

13-405.

(c) A corporate, limited liability company, or partnership transfer as described in § 12-108(p), (q), (v), (w), and (y) of this article is not subject to the county transfer tax.”.

On page 3, in line 10, strike “July 1, 1997” and substitute “October 1, 1997”.