
By: Delegates Finifter and Klausmeier

Introduced and read first time: January 30, 1997

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Recordation and Transfer Taxes - Transfers From Partnerships to One or More Limited**
3 **Liability Companies**

4 FOR the purpose of altering a certain exemption from the recordation and the State and
5 county transfer taxes for certain instruments of writing that transfer title to real
6 property from a partnership so that it applies under certain circumstances if the
7 transfer is to one or more limited liability companies.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - Property
10 Section 12-108(y)
11 Annotated Code of Maryland
12 (1994 Replacement Volume and 1996 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article - Tax - Property
15 Section 13-207(a)(18) and 13-405(c)
16 Annotated Code of Maryland
17 (1994 Replacement Volume and 1996 Supplement)

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

20 **Article - Tax - Property**

21 12-108.

22 (y) [An] ANY instrument of writing that transfers title to real property from a
23 partnership to [a] ONE OR MORE limited liability [company] COMPANIES is not subject
24 to recordation tax if:

25 (1) the members of EACH OF the limited liability [company] COMPANIES
26 are identical to the partners of the [converting] partnership; and

27 (2) each member's allocation of the profits and losses [of] IN EACH OF the
28 limited liability [company] COMPANIES is identical to that member's allocation of the
29 profits and losses of the converting partnership.

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 (18) § 12-108(y) of this article (Transfer from partnership to limited liability
5 company).

6 13-405.

7 (c) A corporate, limited liability company, or partnership transfer as described in
8 § 12-108(p), (q), (v), (w), and (y) of this article is not subject to the county transfer tax.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 1997.