## By: **Delegates Poole and Frank** Introduced and read first time: February 12, 1998 Assigned to: Ways and Means

## A BILL ENTITLED

1 AN ACT concerning

2	Limited Liability Companies - Tax Exemption for Transfers of Real Property
3	From a Predecessor Entity to a Limited Liability Company

4 FOR the purpose of altering the exemption from recordation and State and county

- 5 transfer taxes, for an instrument in writing that transfers title to real property
- 6 from certain entities to a limited liability company, to allow conveyances of real
- 7 property to more than one limited liability company under certain
- 8 circumstances; clarifying language; and generally relating to the recordation
- 9 and State and county transfer tax exemption for certain transfers of real
- 10 property from certain entities to one or more limited liability companies.

11 BY repealing and reenacting, with amendments,

- 12 Article Tax Property
- 13 Section 12-108(y)
- 14 Annotated Code of Maryland
- 15 (1994 Replacement Volume and 1997 Supplement)

16 BY repealing and reenacting, without amendments,

- 17 Article Tax Property
- 18 Section 13-207(a)(18) and 13-405(c)
- 19 Annotated Code of Maryland
- 20 (1994 Replacement Volume and 1997 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

22 MARYLAND, That the Laws of Maryland read as follows:

23Article - Tax - Property2412-108.25(y)(1)26(i)27(ii)27(iii)

2			HOUSE BILL 879
1		(iii)	limited liability partnership;
2		(iv)	limited liability limited partnership;
3 4	involved principally in	(v) buying,	proprietorship, comprised of one or more individuals, which is selling, leasing, or managing real property; and
5		(vi)	joint venture.
		trustee of	ument of writing that transfers title to real property from a or nominee of a predecessor entity to a limited liability relation tax if:
	to the partners of the [		1. the members of the limited liability company are identical ng] general partnership, limited partnership, limited liability limited partnership;
12 13	to the individual or in	dividuals	2. the members of the limited liability company are identical s of the [converting] proprietorship; or
14 15	to the joint venturers of	of the [co	3. the members of the limited liability company are identical onverting] joint venture;
			each member's allocation of the profits and losses of the limited o that member's allocation of the profits and losses of ntity; and
21 22 23	[represents] IS MADE purposes of conversio REAL PROPERTY C	n to a lin )F THE l MEMBE	the instrument of writing that transfers title to real property JANT TO the dissolution of the predecessor entity for nited liability company AND THE CONVEYANCE OF ALL PREDECESSOR ENTITY TO ONE OR MORE LIMITED LIABILITY RS OF EACH OF WHICH MEET THE REQUIREMENTS OF PARAGRAPH.
25	13-207.		
	(a) An instruction (a)		writing is not subject to transfer tax to the same extent tion tax under:
28 29	(18) liability company).	§ 12-108	B(y) of this article (Transfer from predecessor entity to limited
30	13-405.		

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31 (c) A corporate, limited liability company, or partnership transfer as described 32 in § 12-108(p), (q), (v), (w), and (y) of this article is not subject to the county transfer 33 tax.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 35 October 1, 1998.