
By: **Delegate Minnick**

Introduced and read first time: February 12, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Transfer Tax - Exemption**

3 FOR the purpose of exempting a certain portion of the consideration for certain
4 transfers of certain real property located in a certain region of the State from
5 the State transfer tax; requiring that the exemption be applied against the
6 transfer tax payment of a purchase of real property under certain
7 circumstances; providing for a certain exception; and generally relating to a
8 State transfer tax exemption.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - Property
11 Section 13-203
12 Annotated Code of Maryland
13 (1994 Replacement Volume and 1998 Supplement)

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

16 **Article - Tax - Property**

17 13-203.

18 (a) Except as provided in subsection (b) of this section, the rate of the transfer
19 tax is 0.5% of the consideration payable for the instrument of writing. The
20 consideration includes the amount of any mortgage or deed of trust assumed by the
21 grantee.

22 (b) (1) In this subsection, "first-time Maryland home buyer" means an
23 individual who has never owned in the State residential real property that has been
24 the individual's principal residence.

25 (2) If there are two or more grantees, this subsection does not apply
26 unless each grantee is a first-time Maryland home buyer or a co-maker or guarantor
27 of a purchase money mortgage or purchase money deed of trust as defined in §

1 12-108(i) of this article for the property and the co-maker or guarantor will not
2 occupy the residence as the co-maker's or guarantor's principal residence.

3 (3) Notwithstanding any other provision of law, for a sale of improved
4 residential real property to a first-time Maryland home buyer who will occupy the
5 property as a principal residence, the rate of the transfer tax is 0.25% of the
6 consideration payable for the instrument of writing and the transfer tax shall be paid
7 entirely by the seller.

8 (4) To qualify for the exemption under paragraph (3) of this subsection,
9 each grantee shall provide a statement that is signed under oath by the grantee
10 stating that:

11 (i) 1. the grantee is an individual who has never owned in the
12 State residential real property that has been the individual's principal residence; and

13 2. the residence will be occupied by the grantee as the
14 grantee's principal residence; or

15 (ii) 1. the grantee is a co-maker or guarantor of a purchase
16 money mortgage or purchase money deed of trust as defined in § 12-108(i) of this
17 article for the property; and

18 2. the grantee will not occupy the residence as the
19 co-maker's or guarantor's principal residence.

20 (C) (1) THE TRANSFER TAX DOES NOT APPLY TO THE FIRST \$30,000 OF THE
21 CONSIDERATION PAYABLE FOR AN INSTRUMENT OF WRITING FOR RESIDENTIALLY
22 IMPROVED OWNER-OCCUPIED REAL PROPERTY LOCATED WITHIN THE BOUNDARIES
23 OF THE METROPOLITAN DISTRICT AS ESTABLISHED UNDER CHAPTER 539, SECTION 1
24 OF THE ACTS OF THE GENERAL ASSEMBLY OF 1924 AND AS DESCRIBED AND
25 EXTENDED UNDER §§ 35-126 AND 35-127 OF THE BALTIMORE COUNTY CODE,
26 PROVIDED THAT THE INSTRUMENT OF WRITING IS ACCOMPANIED BY A STATEMENT
27 UNDER OATH SIGNED BY THE GRANTEE THAT THE RESIDENCE WILL BE OCCUPIED
28 BY THE GRANTEE.

29 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
30 PARAGRAPH, THE EXEMPTION PROVIDED UNDER PARAGRAPH (1) OF THIS
31 SUBSECTION SHALL BE APPLIED AGAINST THE GRANTEE'S TRANSFER TAX PAYMENT
32 REQUIRED UNDER THIS SECTION.

33 (II) IF THE GRANTOR HAS AGREED, BY CONTRACT, TO PAY THE
34 ENTIRE STATE TRANSFER TAX, THE EXEMPTION PROVIDED UNDER PARAGRAPH (1)
35 OF THIS SUBSECTION SHALL BE APPLIED AGAINST THE GRANTOR'S TRANSFER TAX
36 PAYMENT REQUIRED UNDER THIS SECTION.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
38 October 1, 1999.