
By: **Delegates Finifter and Conroy**
Introduced and read first time: February 11, 2000
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Recordation and Transfer Tax - Transfer from Predecessor Tenancy by the**
3 **Entireties to Limited Liability Company**

4 FOR the purpose of including tenancies by the entireties within the definition of
5 predecessor entities eligible for a recordation tax exemption and State transfer
6 tax exemption for an instrument of writing that transfers property from a
7 predecessor entity to a limited liability company; and generally relating to a
8 recordation tax exemption and State transfer tax exemption for an instrument
9 of writing that transfers property from a predecessor entity to a limited liability
10 company.

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 1999 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article - Tax - Property
18 Section 13-207(a)(18)
19 Annotated Code of Maryland
20 (1994 Replacement Volume and 1999 Supplement)

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

23 **Article - Tax - Property**

24 12-108.

25 (y) (1) In this subsection, "predecessor entity" includes a:

26 (i) general partnership;

27 (ii) limited partnership;

- 1 (iii) limited liability partnership;
- 2 (iv) limited liability limited partnership;
- 3 (v) proprietorship, comprised of one or more individuals, which is
4 involved principally in buying, selling, leasing, or managing real property;
- 5 (VI) TENANCY BY THE ENTIRETIES; and
- 6 [(vi)] (VII) joint venture.

7 (2) An instrument of writing that transfers title to real property from a
8 predecessor entity or a trustee or nominee of a predecessor entity to a limited liability
9 company is not subject to recordation tax if:

10 (i) 1. the members of the limited liability company are identical
11 to the partners of the converting general partnership, limited partnership, limited
12 liability partnership, or limited liability limited partnership;

13 2. the members of the limited liability company are identical
14 to the individual or individuals of the converting proprietorship; [or]

15 3. the members of the limited liability company are identical
16 to the joint venturers of the converting joint venture; OR

17 4. THE MEMBERS OF THE LIMITED LIABILITY COMPANY ARE
18 THE HUSBAND AND WIFE WHO HELD THE PROPERTY AS TENANTS BY THE
19 ENTIRETIES;

20 (ii) each member's allocation of the profits and losses of the limited
21 liability company is identical to that member's allocation of the profits and losses of
22 the converting predecessor entity; and

23 (iii) the instrument of writing that transfers title to real property
24 represents the dissolution of the predecessor entity for purposes of conversion to a
25 limited liability company.

26 13-207.

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

29 (18) § 12-108(y) of this article (Transfer from predecessor entity to limited
30 liability company); or

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 July 1, 2000.