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By: **Delegate Minnick**

Introduced and read first time: February 1, 2002

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Recordation Tax and State and County Transfer Taxes - Exemption for**  
3                                   **Transfer to Subsidiary Limited Liability Company**

4 FOR the purpose of providing an exemption from recordation tax and State and  
5 county transfer taxes for an instrument of writing that transfers real property  
6 from certain parent entities to a subsidiary limited liability company under  
7 certain circumstances; and generally relating to an exemption from recordation  
8 tax and State and county transfer taxes for an instrument of writing that  
9 transfers real property from certain parent entities to a subsidiary limited  
10 liability company under certain circumstances.

11 BY adding to  
12 Article - Tax - Property  
13 Section 12-108(cc) and 13-207(a)(21)  
14 Annotated Code of Maryland  
15 (2001 Replacement Volume and 2001 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - Tax - Property  
18 Section 13-207(a)(19) and (20) and 13-405(c)  
19 Annotated Code of Maryland  
20 (2001 Replacement Volume and 2001 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 (CC) AN INSTRUMENT OF WRITING IS NOT SUBJECT TO RECORDATION TAX IF  
26 THE INSTRUMENT OF WRITING IS A TRANSFER OF TITLE TO REAL PROPERTY FROM A  
27 PARENT PARTNERSHIP OR PARENT LIMITED LIABILITY COMPANY TO A SUBSIDIARY  
28 LIMITED LIABILITY COMPANY WHOLLY OWNED BY THE SAME PARENT PARTNERSHIP

1 OR PARENT LIMITED LIABILITY COMPANY, IF THE PARENT PARTNERSHIP OR PARENT  
2 LIMITED LIABILITY COMPANY IS AN ORIGINAL MEMBER OF THE SUBSIDIARY  
3 LIMITED LIABILITY COMPANY FOR:

4 (1) NO CONSIDERATION;

5 (2) NOMINAL CONSIDERATION; OR

6 (3) CONSIDERATION THAT COMPRISES ONLY THE ISSUANCE OF A  
7 MEMBERSHIP INTEREST IN THE SUBSIDIARY LIMITED LIABILITY COMPANY.

8 13-207.

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

11 (19) § 12-108(z) of this article (Transfer from a Class I Railroad Carrier to  
12 its wholly-owned limited liability company); [or]

13 (20) § 12-108(aa) of this article (Transfers involving certain Maryland  
14 Stadium Authority affiliates)[.]; OR

15 (21) § 12-108(CC) OF THIS ARTICLE (TRANSFER OF PROPERTY TO  
16 SUBSIDIARY LIMITED LIABILITY COMPANY).

17 13-405.

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2002.