

SENATE BILL 657

Q6

EMERGENCY BILL

0lr2288
CF HB 590

By: **Senators DeGrange, Astle, Garagiola, Jones, Kasemeyer, Klausmeier, Kramer, Miller, Pipkin, Reilly, and Robey**
Introduced and read first time: February 5, 2010
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Recordation Taxes and State Transfer Tax – Debt Forgiven in “Short Sale”**

3 FOR the purpose of clarifying that for the purposes of recordation taxes and the State
4 transfer tax, the consideration payable for an instrument of writing to which the
5 tax applies does not include the amount of any debt forgiven or assumed by a
6 person other than the grantee; making this Act an emergency measure; and
7 generally relating to recordation taxes and State transfer tax.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – Property
10 Section 12–103(a) and 13–203(a)
11 Annotated Code of Maryland
12 (2007 Replacement Volume and 2009 Supplement)

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

15 **Article – Tax – Property**

16 12–103.

17 (a) **(1)** The recordation tax rates under this section are applied to each
18 \$500 or fraction of \$500 of consideration payable or of the principal amount of the debt
19 secured for an instrument of writing.

20 **(2)** The consideration:

21 **(I)** includes the amount of any mortgage or deed of trust
22 assumed by the grantee; **AND**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 **(II) DOES NOT INCLUDE THE AMOUNT OF ANY DEBT**
2 **FORGIVEN OR ASSUMED BY A PERSON OTHER THAN THE GRANTEE.**

3 13-203.

4 (a) **(1)** Except as provided in subsection (b) of this section, the rate of the
5 transfer tax is 0.5% of the consideration payable for the instrument of writing.

6 **(2)** The consideration:

7 **(I)** includes the amount of any mortgage or deed of trust
8 assumed by the grantee; **AND**

9 **(II) DOES NOT INCLUDE THE AMOUNT OF ANY DEBT**
10 **FORGIVEN OR ASSUMED BY A PERSON OTHER THAN THE GRANTEE.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
12 measure, is necessary for the immediate preservation of the public health or safety,
13 has been passed by a yea and nay vote supported by three-fifths of all the members
14 elected to each of the two Houses of the General Assembly, and shall take effect from
15 the date it is enacted.