

Chapter 531

(Senate Bill 730)

AN ACT concerning

Recordation and Transfer Taxes – Low Income Housing Projects – Controlling Interest

FOR the purpose of establishing the consideration used to calculate the recordation and State and county transfer tax on certain transactions for which a controlling interest is conveyed; providing for the application of this Act; and generally relating to the recordation and State and county transfer taxes.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 12–103(a), 13–203(a), and 13–412
Annotated Code of Maryland
(2012 Replacement Volume)

BY adding to
Article – Tax – Property
Section 12–103(a–1), and 13–203(a–1), ~~and 13–412(e)~~
Annotated Code of Maryland
(2012 Replacement Volume)

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

Article – Tax – Property

12–103.

(a) (1) **[The] EXCEPT AS PROVIDED IN SUBSECTION (A–1) OF THIS SECTION, THE** recordation tax rates under this section are applied to each \$500 or fraction of \$500 of consideration payable or of the principal amount of the debt secured for an instrument of writing.

(2) The consideration:

(i) includes the amount of any mortgage or deed of trust assumed by the grantee; and

(ii) subject to item (i) of this paragraph, includes only the amount paid or delivered in return for the sale of the property and does not include

the amount of any debt forgiven or no longer secured by a mortgage or deed of trust on the property.

(A-1) (1) THE RECORDATION TAX RATES UNDER THIS SECTION ARE APPLIED TO EACH \$500 OR FRACTION OF \$500 OF CONSIDERATION PAID FOR THE CONVEYANCE OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY AS DEFINED IN § 12-117 OF THIS SUBTITLE THAT HAS DEVELOPED REAL PROPERTY UNDER SECTION 42 OF THE INTERNAL REVENUE CODE, THE LOW INCOME HOUSING TAX CREDIT PROGRAM.

(2) THE CONSIDERATION UNDER THIS SUBSECTION SHALL BE THE ACTUAL PAYMENT MADE BY THE PURCHASER TO THE SELLER FOR THE PURCHASE OF THE INTEREST.

13-203.

(a) (1) Except AS PROVIDED IN ~~SUBSECTION (A-1)~~ SUBSECTIONS (A-1) AND (B) OF THIS SECTION, ~~AND EXCEPT as provided in subsection (b) of this section,~~ the rate of the transfer tax is 0.5% of the consideration payable for the instrument of writing.

(2) The consideration:

(i) includes the amount of any mortgage or deed of trust assumed by the grantee; and

(ii) subject to item (i) of this paragraph, includes only the amount paid or delivered in return for the sale of the property and does not include the amount of any debt forgiven or no longer secured by a mortgage or deed of trust on the property.

(A-1) (1) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE RATE OF THE TRANSFER TAX IS 0.5% OF THE CONSIDERATION PAID FOR THE TRANSFER OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY AS DEFINED IN § 13-103 OF THIS TITLE THAT HAS DEVELOPED REAL PROPERTY UNDER SECTION 42 OF THE INTERNAL REVENUE CODE, THE LOW INCOME HOUSING TAX CREDIT PROGRAM.

(2) THE CONSIDERATION UNDER THIS SUBSECTION SHALL BE THE ACTUAL PAYMENT MADE BY THE PURCHASER TO THE SELLER FOR THE PURCHASE OF THE INTEREST.

13-412.

(a) (1) Except **AS PROVIDED IN SUBSECTION (C) OF THIS SECTION AND ~~EXCEPT as provided in~~** paragraph (2) of this subsection, a county transfer tax shall apply to the consideration payable for an instrument of writing.

(2) If a county transfer tax applies to mortgages or deeds of trust, the county transfer tax shall apply to the consideration payable or the principal amount of the debt secured for an instrument of writing.

(b) **[The] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE** consideration:

(1) includes the amount of any mortgage or deed of trust assumed by the grantee; and

(2) subject to item (1) of this subsection, includes only the amount paid or delivered in return for the sale of the property and does not include the amount of any debt forgiven or no longer secured by a mortgage or deed of trust on the property.

(C) (1) A COUNTY TRANSFER TAX APPLIES TO THE CONSIDERATION PAID FOR THE TRANSFER OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY AS DEFINED IN § 13-103 OF THIS TITLE THAT HAS DEVELOPED REAL PROPERTY UNDER SECTION 42 OF THE INTERNAL REVENUE CODE, THE LOW INCOME HOUSING TAX CREDIT PROGRAM.

(2) THE CONSIDERATION UNDER THIS SUBSECTION SHALL BE THE ACTUAL PAYMENT MADE BY THE PURCHASER TO THE SELLER FOR THE PURCHASE OF THE INTEREST.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2013, and shall be applicable to all instruments of writing recorded or filed on or after July 1, 2013.

Approved by the Governor, May 16, 2013.