

SENATE BILL 730

Q6

(3lr1203)

ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senators King, Colburn, Garagiola, and Manno**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Recordation and Transfer Taxes – Low Income Housing Projects –**
3 **Controlling Interest**

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

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

13 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Article – Tax – Property
 2 Section 12–103(a–1), and 13–203(a–1), ~~and 13–412(e)~~
 3 Annotated Code of Maryland
 4 (2012 Replacement Volume)

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

7 **Article – Tax – Property**

8 12–103.

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

13 (2) The consideration:

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

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

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

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

29 13–203.

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

34 (2) The consideration:

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

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

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

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

16 13-412.

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

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

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

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

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

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

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.