

SENATE BILL 766

Q1

5lr1569

By: ~~Senator Ready~~ Senators Ready, Manno, Currie, Edwards, Serafini, and Eckardt

Introduced and read first time: February 16, 2015

Assigned to: Rules

Re-referred to: Budget and Taxation, February 27, 2015

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2015

CHAPTER _____

1 AN ACT concerning

2 **Agricultural Land Transfer Tax – ~~Application~~ Rate Determination**

3 FOR the purpose of ~~clarifying that the agricultural land transfer tax does not apply to~~
4 providing that, when determining the rate of the agricultural land transfer tax to be
5 imposed, the amount of agricultural land transferred that is exempt from the tax in
6 accordance with certain provisions of law may not be included in the amount of
7 agricultural land that is transferred; and generally relating to the application of the
8 agricultural land transfer tax.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 13–303
12 Annotated Code of Maryland
13 (2012 Replacement Volume and 2014 Supplement)

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

16 **Article – Tax – Property**

17 13–303.

18 (a) The agricultural land transfer tax applies at the following rates:

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.



1 (1) for a transfer of 20 acres or more of agricultural land, 5%;

2 (2) except as provided in item (3) of this subsection, for a transfer of less
3 than 20 acres of agricultural land assessed for agricultural use or as unimproved
4 agricultural land, 4%; or

5 (3) for a transfer of less than 20 acres of agricultural land assessed as
6 improved agricultural land or agricultural land with site improvements, 3%.

7 (b) If an instrument of writing is subject to different rates of agricultural land
8 transfer tax under subsection (a) of this section, the total agricultural land transfer tax due
9 is computed separately for each portion of agricultural land to which a different rate
10 applies.

11 (c) Except as provided by § 13-305(c)(2) of this subtitle, the agricultural land
12 transfer tax determined under subsection (a) or subsection (b) of this section is reduced by
13 25% for each consecutive full taxable year before a transfer in which property tax on the
14 agricultural land was paid on the basis of any assessment other than the farm or
15 agricultural use assessment under § 8-209 of this article.

16 (d) (1) Except as provided in paragraph (2) of this subsection, in addition to
17 the tax imposed under this section, a surcharge in an amount equal to 25% of the tax
18 determined under subsections (a) through (c) of this section is imposed on an instrument of
19 writing that transfers title to agricultural land.

20 (2) The surcharge imposed under paragraph (1) of this subsection does not
21 apply to an instrument of writing that transfers property of 2 acres or less to be improved
22 to a child or grandchild of the owner.

23 **(E) ~~THE AGRICULTURAL LAND TRANSFER TAX DETERMINED UNDER~~**
24 **~~SUBSECTION (A) OR (B) OF THIS SECTION DOES NOT APPLY TO~~ WHEN DETERMINING**
25 **THE RATE OF THE AGRICULTURAL LAND TRANSFER TAX TO BE IMPOSED UNDER**
26 **SUBSECTION (A) OR (B) OF THIS SECTION, THE AMOUNT OF AGRICULTURAL LAND**
27 **TRANSFERRED THAT IS EXEMPT FROM THE TAX IN ACCORDANCE WITH § 13-305 OF**
28 **THIS SUBTITLE MAY NOT BE INCLUDED IN THE AMOUNT OF AGRICULTURAL LAND**
29 **THAT IS TRANSFERRED.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
31 1, 2015.