

SENATE BILL 766

Q1

5lr1569

By: **Senator Ready**

Introduced and read first time: February 16, 2015

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Agricultural Land Transfer Tax – Application**

3 FOR the purpose of clarifying that the agricultural land transfer tax does not apply to the
4 amount of agricultural land transferred that is exempt from the tax in accordance
5 with certain provisions of law; and generally relating to the application of the
6 agricultural land transfer tax.

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

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

14 **Article – Tax – Property**

15 13–303.

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

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

5 (c) Except as provided by § 13–305(c)(2) of this subtitle, the agricultural land
6 transfer tax determined under subsection (a) or subsection (b) of this section is reduced by
7 25% for each consecutive full taxable year before a transfer in which property tax on the
8 agricultural land was paid on the basis of any assessment other than the farm or
9 agricultural use assessment under § 8–209 of this article.

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

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

17 **(E) THE AGRICULTURAL LAND TRANSFER TAX DETERMINED UNDER**
18 **SUBSECTION (A) OR (B) OF THIS SECTION DOES NOT APPLY TO THE AMOUNT OF**
19 **AGRICULTURAL LAND TRANSFERRED THAT IS EXEMPT FROM THE TAX IN**
20 **ACCORDANCE WITH § 13–305 OF THIS SUBTITLE.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
22 1, 2015.