

Chapter 197

(Senate Bill 766)

AN ACT concerning

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

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

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

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

Article – Tax – Property

13–303.

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

- (1) for a transfer of 20 acres or more of agricultural land, 5%;
- (2) except as provided in item (3) of this subsection, for a transfer of less than 20 acres of agricultural land assessed for agricultural use or as unimproved agricultural land, 4%; or
- (3) for a transfer of less than 20 acres of agricultural land assessed as improved agricultural land or agricultural land with site improvements, 3%.

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

(c) Except as provided by § 13–305(c)(2) of this subtitle, the agricultural land transfer tax determined under subsection (a) or subsection (b) of this section is reduced by 25% for each consecutive full taxable year before a transfer in which property tax on the

agricultural land was paid on the basis of any assessment other than the farm or agricultural use assessment under § 8-209 of this article.

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

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

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

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

Approved by the Governor, May 12, 2015.