

SENATE BILL 372

Q6, N2

8lr2380

By: **Senator Kasemeyer**

Introduced and read first time: January 24, 2018

Assigned to: Judicial Proceedings

Reassigned: Budget and Taxation, January 26, 2018

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 20, 2018

CHAPTER _____

1 AN ACT concerning

2 **Estates and Trusts – Transfer From Revocable Trust – Exemption From ~~Tax~~**
3 **Taxes and Fees**

4 FOR the purpose of exempting from certain taxes and fees certain transfers of real property
5 and certain vehicles from a revocable trust to a beneficiary of the trust as a result of
6 the death of the settlor of the trust; and generally relating to an exemption from
7 taxes and fees on transfers of real property and vehicles.

8 BY repealing and reenacting, with amendments,
9 Article – Estates and Trusts
10 Section 14.5–1001
11 Annotated Code of Maryland
12 (2017 Replacement Volume)

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

15 **Article – Estates and Trusts**

16 14.5–1001.

17 (a) (1) In this section the following words have the meanings indicated.

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 (2) "Consideration" does not include the amount of any obligation under a
2 mortgage, deed of trust, or other writing encumbering the transferred property.

3 (3) "Trust" does not include:

4 (i) A real estate investment trust as defined in § 8–101 of the
5 Corporations and Associations Article; or

6 (ii) A statutory trust as defined in § 12–101 of the Corporations and
7 Associations Article.

8 (4) "Vehicle" includes:

9 (i) A motor vehicle, a trailer, a semitrailer, a moped, a motor scooter,
10 or an off-highway recreational vehicle for which sales and use tax is not collected at the
11 time of purchase; or

12 (ii) A motor vehicle, trailer, or semitrailer that is in interstate
13 operation and registered under § 13–109(c) or (d) of the Transportation Article without a
14 certificate of title.

15 (b) A recordation tax, transfer tax, or any other State or local excise tax may not
16 be imposed on the transfer of real property or an interest in real property without
17 consideration or on the recordation of an instrument that transfers real property or an
18 interest in real property without consideration if:

19 (1) The transfer is to a trust; or

20 (2) The transfer is from a trust to one or more beneficiaries and:

21 (i) The transfer is made to a person that would be exempt from tax
22 under Title 12 or Title 13 of the Tax – Property Article if the transfer had been made to
23 that person directly by the grantor; [or]

24 (ii) The transfer is made during the life of the grantor of the trust
25 and the trustee of the trust originally acquired the real property for adequate consideration;
26 **OR**

27 **(III) THE TRANSFER IS MADE TO A BENEFICIARY OF A**
28 **REVOCABLE TRUST AS A RESULT OF THE DEATH OF THE SETTLOR OF THE TRUST.**

29 (c) An excise tax or a certificate of title fee imposed under Title 13, Subtitle 8 of
30 the Transportation Article may not be imposed on the issuance of an original or subsequent
31 certificate of title issued for a vehicle that is transferred without consideration if:

1 (1) The transfer is to a trust and the transfer would be exempt from the
2 excise tax under § 13–810 of the Transportation Article if the transferor transferred the
3 vehicle directly to one or more of the beneficiaries; or

4 (2) The transfer is from a trust to one or more beneficiaries of the trust and:

5 (i) The transfer is made to a person that would be exempt from the
6 excise tax under § 13–810 of the Transportation Article if the transfer had been made to
7 that person directly by the transferor of the vehicle to the trust; ~~or~~

8 (ii) The transfer is made during the life of the settlor of the trust and
9 the trustee of the trust originally acquired the vehicle for adequate consideration; **OR**

10 **(III) THE TRANSFER IS MADE TO A BENEFICIARY OF A**
11 **REVOCABLE TRUST AS A RESULT OF THE DEATH OF THE SETTLOR OF THE TRUST.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.