

# SENATE BILL 372

Q6, N2

8lr2380

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By: **Senator Kasemeyer**

Introduced and read first time: January 24, 2018

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Estates and Trusts – Transfer From Revocable Trust – Exemption From Tax**

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

7 BY repealing and reenacting, with amendments,

8 Article – Estates and Trusts

9 Section 14.5–1001

10 Annotated Code of Maryland

11 (2017 Replacement Volume)

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

14 **Article – Estates and Trusts**

15 14.5–1001.

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

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

19 (3) “Trust” does not include:

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

22 (ii) A statutory trust as defined in § 12–101 of the Corporations and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Associations Article.

2 (4) "Vehicle" includes:

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

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

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

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

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

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

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

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

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

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

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

30 (i) The transfer is made to a person that would be exempt from the  
31 excise tax under § 13-810 of the Transportation Article if the transfer had been made to  
32 that person directly by the transferor of the vehicle to the trust; or

1                   (ii)    The transfer is made during the life of the settlor of the trust and  
2 the trustee of the trust originally acquired the vehicle for adequate consideration.

3           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
4 1, 2018.