

# HOUSE BILL 815

Q6  
HB 1609/20 – W&M

1lr2320

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By: **Delegate Shoemaker**

Introduced and read first time: January 29, 2021

Assigned to: Environment and Transportation

Reassigned: Ways and Means, February 5, 2021

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Committee Report: Favorable

House action: Adopted

Read second time: February 27, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Agricultural Land Transfer Tax – Application of Nonagricultural Use**  
3 **Reduction and Exemption**

4 FOR the purpose of clarifying that certain provisions of law concerning the method of  
5 calculating a certain reduction in the State agricultural land transfer tax apply to a  
6 transfer under a contract of sale dated on or after a certain date; clarifying that a  
7 certain exemption from the State agricultural land transfer tax applies to a transfer  
8 under a contract of sale dated on or after a certain date; authorizing a person who  
9 paid State agricultural land transfer tax under certain provisions of law on a transfer  
10 under a contract of sale dated before a certain date to apply for a refund of any excess  
11 tax paid in accordance with certain provisions of law; and generally relating to the  
12 application of the State agricultural land transfer tax.

13 BY repealing and reenacting, without amendments,  
14 Article – Tax – Property  
15 Section 13–303 and 13–305(h)  
16 Annotated Code of Maryland  
17 (2019 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Chapter 566 of the Acts of the General Assembly of 2019  
20 Section 2

21 BY repealing and reenacting, with amendments,

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**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 Chapter 567 of the Acts of the General Assembly of 2019  
2 Section 2

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

5 **Article – Tax – Property**

6 13–303.

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

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

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

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

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

18 (c) Except as provided by § 13–305(b)(2) or (c)(4) of this subtitle, the agricultural  
19 land transfer tax determined under subsection (a) or subsection (b) of this section is reduced  
20 by:

21 (1) 25% if property tax on the agricultural land was paid on the basis of  
22 any assessment other than the farm or agricultural use assessment under § 8–209 of this  
23 article for 1 full taxable year before a transfer;

24 (2) 50% if property tax on the agricultural land was paid on the basis of  
25 any assessment other than the farm or agricultural use assessment under § 8–209 of this  
26 article for 2 full consecutive taxable years before a transfer; and

27 (3) 65% if property tax on the agricultural land was paid on the basis of  
28 any assessment other than the farm or agricultural use assessment under § 8–209 of this  
29 article for 3 or more full consecutive taxable years before a transfer.

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

