

Chapter 609

(House Bill 815)

AN ACT concerning

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

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

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

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

BY repealing and reenacting, with amendments,
 Chapter 567 of the Acts of the General Assembly of 2019
 Section 2

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(b)(2) or (c)(4) of this subtitle, the agricultural land transfer tax determined under subsection (a) or subsection (b) of this section is reduced by:

(1) 25% if 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 for 1 full taxable year before a transfer;

(2) 50% if 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 for 2 full consecutive taxable years before a transfer; and

(3) 65% if 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 for 3 or more full consecutive taxable years before a transfer.

(d) (1) Except as provided in paragraph (2) of this subsection, in addition to the agricultural land transfer tax, 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) 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.

13–305.

(h) The agricultural land transfer tax does not apply to an instrument of writing that transfers title to agricultural land that was previously transferred by an instrument of writing that was subject to the agricultural land transfer tax.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019, AND SHALL BE APPLICABLE TO A TRANSFER UNDER A CONTRACT OF SALE DATED ON OR AFTER JULY 1, 2019.

Chapter 567 of the Acts of 2019

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019, AND SHALL BE APPLICABLE TO A TRANSFER UNDER A CONTRACT OF SALE DATED ON OR AFTER JULY 1, 2019.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, a person who paid State agricultural land transfer tax under § 13-303(c) of the Tax – Property Article as enacted by Chapters 566 and 567 of the Acts of the General Assembly of 2019 on a transfer under a contract of sale dated before July 1, 2019, may apply for a refund of any excess tax paid in accordance with Title 14, Subtitle 9 of the Tax – Property Article.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2021.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.