

# HOUSE BILL 1213

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By: **Delegates Ruth, Lehman, Pasteur, and Terrasa**

Introduced and read first time: February 11, 2026

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Transfer Tax – Rate – Alterations**  
3 **(Housing Affordability for Buyers and Sellers)**

4 FOR the purpose of altering the State transfer tax rate; and generally relating to the State  
5 transfer tax.

6 BY repealing and reenacting, with amendments,  
7 Article – Tax – Property  
8 Section 13–203  
9 Annotated Code of Maryland  
10 (2019 Replacement Volume and 2025 Supplement)

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

13 **Article – Tax – Property**

14 13–203.

15 (a) (1) **(I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**  
16 **MEANINGS INDICATED.**

17 **(II) “AFFORDABLE” MEANS THAT HOUSING COSTS DO NOT**  
18 **EXCEED 30% OF A HOUSEHOLD’S INCOME.**

19 **(III) “DEED–RESTRICTED PROPERTY” MEANS MULTIFAMILY**  
20 **RESIDENTIAL PROPERTY THAT IS DEED–RESTRICTED TO INCLUDE 15% OF UNITS**  
21 **THAT ARE AFFORDABLE TO HOUSEHOLDS EARNING 80% OR LESS OF THE AREA**  
22 **MEDIAN INCOME.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(2)** Except as provided in subsections (a-1) and (b) of this section, the rate  
2 of the transfer tax is:

3           **(I) FOR SINGLE-FAMILY RESIDENTIAL PROPERTY:**

4                   **1. 0.25% OF THE CONSIDERATION PAYABLE FOR THE**  
5 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS LESS THAN \$300,000;**

6                   **2. 0.375% OF THE CONSIDERATION PAYABLE FOR THE**  
7 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$300,000 BUT LESS**  
8 **THAN \$400,000;**

9                   **3. 0.5% of the consideration payable for the instrument of**  
10 **writing IF THE CONSIDERATION IS AT LEAST \$400,000 BUT LESS THAN \$650,000;**

11                   **4. 0.75% OF THE CONSIDERATION PAYABLE FOR THE**  
12 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$650,000 BUT LESS**  
13 **THAN \$800,000;**

14                   **5. 1% OF THE CONSIDERATION PAYABLE FOR THE**  
15 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$800,000 BUT LESS**  
16 **THAN \$1,000,000;**

17                   **6. 1.25% OF THE CONSIDERATION PAYABLE FOR THE**  
18 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$1,000,000 BUT LESS**  
19 **THAN \$3,000,000; AND**

20                   **7. 1.5% OF THE CONSIDERATION PAYABLE FOR THE**  
21 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$3,000,000;**

22           **(II) FOR DEED-RESTRICTED PROPERTY:**

23                   **1. 0.25% OF THE CONSIDERATION PAYABLE FOR THE**  
24 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS LESS THAN \$1,000,000;**

25                   **2. 0.375% OF THE CONSIDERATION PAYABLE FOR THE**  
26 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$1,000,000 BUT LESS**  
27 **THAN \$10,000,000; AND**

28                   **3. 0.5% OF THE CONSIDERATION PAYABLE FOR THE**  
29 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$10,000,000;**

30           **(III) FOR MULTIFAMILY RESIDENTIAL PROPERTY OTHER THAN**

1 **DEED-RESTRICTED PROPERTY:**

2           **1. 0.25% OF THE CONSIDERATION PAYABLE FOR THE**  
3 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS LESS THAN \$1,000,000;**

4           **2. 0.375% OF THE CONSIDERATION PAYABLE FOR THE**  
5 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$1,000,000 BUT LESS**  
6 **THAN \$5,000,000;**

7           **3. 0.5% OF THE CONSIDERATION PAYABLE FOR THE**  
8 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$5,000,000 BUT LESS**  
9 **THAN \$10,000,000;**

10           **4. 0.75% OF THE CONSIDERATION PAYABLE FOR THE**  
11 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$10,000,000 BUT**  
12 **LESS THAN \$20,000,000;**

13           **5. 1% OF THE CONSIDERATION PAYABLE FOR THE**  
14 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$20,000,000 BUT**  
15 **LESS THAN \$40,000,000; AND**

16           **6. 1.25% OF THE CONSIDERATION PAYABLE FOR THE**  
17 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$40,000,000; AND**

18           **(IV) FOR NONRESIDENTIAL PROPERTY:**

19           **1. 0.375% OF THE CONSIDERATION PAYABLE FOR THE**  
20 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS LESS THAN \$5,000,000;**

21           **2. 0.5% OF THE CONSIDERATION PAYABLE FOR THE**  
22 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$5,000,000 BUT LESS**  
23 **THAN \$10,000,000;**

24           **3. 1% OF THE CONSIDERATION PAYABLE FOR THE**  
25 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$10,000,000 BUT**  
26 **LESS THAN \$20,000,000;**

27           **4. 1.25% OF THE CONSIDERATION PAYABLE FOR THE**  
28 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$20,000,000 BUT**  
29 **LESS THAN \$40,000,000; AND**

30           **5. 1.5% OF THE CONSIDERATION PAYABLE FOR THE**  
31 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS AT LEAST \$40,000,000.**

1            ~~[(2)]~~ (3)        The consideration:

2                            (i)        includes the amount of any mortgage or deed of trust assumed  
3 by the grantee; and

4                            (ii)        subject to item (i) of this paragraph, includes only the amount  
5 paid or delivered in return for the sale of the property and does not include the amount of  
6 any debt forgiven or no longer secured by a mortgage or deed of trust on the property.

7            (a-1) (1)        Except as provided in subsection (b) of this section, the rate of the  
8 transfer tax is ~~[0.5%]~~ **THE APPLICABLE RATE UNDER SUBSECTION (A) OF THIS**  
9 **SECTION** of the consideration paid for the transfer of a controlling interest in a real  
10 property entity as defined in § 13-103 of this title that has developed real property under  
11 Section 42 of the Internal Revenue Code, the Low Income Housing Tax Credit Program.

12                            (2)        The consideration under this subsection shall be the actual payment  
13 made by the purchaser to the seller for the purchase of the interest.

14            (b) (1)        In this subsection, “first-time Maryland home buyer” means an  
15 individual who has never owned in the State residential real property that has been the  
16 individual’s principal residence.

17                            (2)        If there are two or more grantees, this subsection does not apply unless  
18 each grantee is a first-time Maryland home buyer or a co-maker or guarantor of a purchase  
19 money mortgage or purchase money deed of trust as defined in § 12-108(i) of this article  
20 for the property and the co-maker or guarantor will not occupy the residence as the  
21 co-maker’s or guarantor’s principal residence.

22                            (3)        Notwithstanding any other provision of law, for a sale of improved  
23 residential real property to a first-time Maryland home buyer who will occupy the property  
24 as a principal residence, the rate of the transfer tax is 0.25% of the consideration payable  
25 for the instrument of writing and the transfer tax shall be paid entirely by the seller.

26                            (4)        To qualify for the exemption under paragraph (3) of this subsection,  
27 each grantee or an agent of the grantee shall provide a statement that is signed under oath  
28 by the grantee or agent of the grantee stating that:

29    (i)        1.        the grantee is an individual who has never owned in the  
30 State residential real property that has been the individual’s principal residence; and

31    2.        the residence will be occupied by the grantee as the  
32 grantee’s principal residence; or

33    (ii)        1.        the grantee is a co-maker or guarantor of a purchase  
34 money mortgage or purchase money deed of trust as defined in § 12-108(i) of this article  
35 for the property; and

1                                   2.     the grantee will not occupy the residence as the  
2 co-maker's or guarantor's principal residence.

3                                   (5)    A statement under paragraph (4) of this subsection by an agent of a  
4 grantee shall state that the statement:

5                                   (i)     is based on a diligent inquiry made by the agent with respect to  
6 the facts set forth in the statement; and

7                                   (ii)    is true to the best of the knowledge, information, and belief of the  
8 agent.

9                                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
10 1, 2026, and shall be applicable to instruments of writing recorded on or after July 1, 2026.