

# SENATE BILL 33

Q6

(PRE-FILED)

6lr1282  
CF HB 82

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By: Senator West

Requested: October 21, 2025

Introduced and read first time: January 14, 2026

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Recordation and Transfer Taxes – Exemption for Related Business Entities –**  
3 **Common Law Trusts**

4 FOR the purpose of altering an exemption from the recordation tax and State and county  
5 transfer tax for transfers between related business entities to include transfers  
6 involving common law trusts; and generally relating to exemptions from the  
7 recordation tax and State and county transfer tax.

8 BY repealing and reenacting, with amendments,

9 Article – Tax – Property

10 Section 12–108(p) and 13–405(c)

11 Annotated Code of Maryland

12 (2019 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, without amendments,

14 Article – Tax – Property

15 Section 13–207(a)(9)

16 Annotated Code of Maryland

17 (2019 Replacement Volume and 2025 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Tax – Property**

21 12–108.

22 (p) (1) (i) In this subsection the following words have the meanings  
23 indicated.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(ii) “Business entity” means a limited liability company, corporation, limited partnership, [or] statutory trust, **OR COMMON LAW TRUST**.

3 (iii) "Owner" means a member, stockholder, limited partner, or  
4 beneficial owner of a business entity **OR OTHER PERSON, AS DEFINED IN § 12-101 OF**  
5 **THE CORPORATIONS AND ASSOCIATIONS ARTICLE.**

(iv) "Ownership interest" means a membership interest, stock, limited partnership interest, or beneficial interest.

(2) An instrument of writing is not subject to recordation tax if the instrument of writing is:

10 (i) a transfer of title to real property between a parent business  
11 entity and its wholly owned subsidiary business entity or between 2 or more subsidiary  
12 business entities wholly owned by the same parent business entity, if the parent business  
13 entity is an original owner of the subsidiary business entity, or became an owner through  
14 gift or bequest from an original owner of the subsidiary business entity, for:

15 1. no consideration;

16 2. nominal consideration; or

19 (ii) an instrument of writing made pursuant to the reorganization of  
20 a business entity as described in § 368(a) of the Internal Revenue Code; or

25 1. previously owned the real property; or

30 13-207.

31                   (a) An instrument of writing is not subject to transfer tax to the same extent that  
32 it is not subject to recordation tax under:

3 13-405.

4 (c) A corporate, limited liability company, [or] partnership, **OR OTHER** transfer  
5 as described in § 12–108(p), (q), (v), (w), (y), and (bb) of this article is not subject to the  
6 county transfer tax.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
8 1, 2026, and shall be applicable to instruments of writing recorded on or after July 1, 2026.