

# 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.**

(iii) “Owner” means a member, stockholder, limited partner, or beneficial owner of a business entity **OR OTHER PERSON, AS DEFINED IN § 12–101 OF 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:

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

1. no consideration;

2. nominal consideration; or

3. consideration that comprises only the issuance, cancellation, or surrender of the ownership interests of a subsidiary business entity;

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

(iii) a transfer of title to real property from a subsidiary business entity to its parent business entity for no consideration, nominal consideration or consideration that comprises only the issuance, cancellation, or surrender of a subsidiary’s ownership interest, where the parent business entity:

1. previously owned the real property;

2. currently owns the ownership interest of the subsidiary and has owned that ownership interest for a period greater than 18 months; or

3. acquires the ownership interest of a subsidiary business entity which has been in existence and has owned the real property for a period of 2 years.

13–207.

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

1           (9)   § 12–108(p) of this article (Transfer of property between related  
2 business entities);

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.