

HOUSE BILL 1245

Q6

11r2904

By: **Delegate Kach**

Introduced and read first time: February 21, 2011

Assigned to: Rules and Executive Nominations

Re-referred to: Ways and Means, March 7, 2011

Committee Report: Favorable

House action: Adopted

Read second time: March 25, 2011

CHAPTER _____

1 AN ACT concerning

2 **Recordation Tax and State Transfer Tax – Exemptions**

3 FOR the purpose of exempting from recordation tax and State transfer tax certain
4 instruments of writing transferring property from a transferor to a grandparent
5 or stepgrandparent; and generally relating to an exemption from recordation
6 tax and State transfer tax for certain instruments of writing transferring
7 property from a transferor to certain relatives.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – Property
10 Section 12–108(c)
11 Annotated Code of Maryland
12 (2007 Replacement Volume and 2010 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Tax – Property
15 Section 13–207(a)(2)
16 Annotated Code of Maryland
17 (2007 Replacement Volume and 2010 Supplement)

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

20 **Article – Tax – Property**

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 12-108.

2 (c) (1) When property is transferred subject to a mortgage or deed of
3 trust, the recordation tax does not apply to the principal amount of debt assumed by
4 the transferee, if the instrument of writing transfers the property from the transferor
5 to a:

6 (i) spouse or former spouse;

7 (ii) son, daughter, stepson, or stepdaughter;

8 (iii) parent or stepparent;

9 (iv) son-in-law, daughter-in-law, stepson-in-law, or
10 stepdaughter-in-law;

11 (v) parent-in-law or stepparent-in-law;

12 (vi) brother, sister, stepbrother, or stepsister;

13 (vii) grandchild or stepgrandchild; [or]

14 (viii) **GRANDPARENT OR STEPGRANDPARENT; OR**

15 **(IX)** domestic partner or former domestic partner.

16 (2) (i) To qualify as a domestic partner under this subsection, an
17 individual shall submit evidence of a domestic partnership.

18 (ii) To qualify as a former domestic partner under this
19 subsection, an individual shall submit evidence of dissolution of a domestic
20 partnership.

21 (3) The exemption under paragraph (1) of this subsection for transfers
22 to a domestic partner or former domestic partner of the transferor applies only to an
23 instrument of writing for residential property.

24 13-207.

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

27 (2) § 12-108(c) of this article (Transfer between relatives and domestic
28 partners);

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.