

CHAPTER 583

(House Bill 592)

AN ACT concerning

State Transfer Tax – Exemption

FOR the purpose of requiring that a certain exemption from the State transfer tax be applied against the transfer tax payment of a purchase of real property under certain circumstances; providing for a certain exception; and generally relating to a State transfer tax exemption.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 13–203

Annotated Code of Maryland

(1986 Volume and 1989 Supplement)

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

Article – Tax – Property

13–203.

(a) Except as provided in subsection (b) of this section, the rate of the transfer tax is 0.5% of the consideration payable for the instrument of writing. The consideration includes the amount of any mortgage or deed of trust assumed by the grantee.

(b) (1) The transfer tax does not apply to the first \$30,000 of the consideration payable for an instrument of writing for residentially improved owner-occupied real property, provided that the instrument of writing is accompanied by a statement under oath signed by the grantee that the residence will be occupied by the grantee.

(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE EXEMPTION PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE APPLIED AGAINST THE GRANTEE'S TRANSFER TAX PAYMENT REQUIRED UNDER THIS SECTION.

(II) IF THE GRANTOR HAS AGREED, BY CONTRACT, TO PAY THE ENTIRE STATE TRANSFER TAX, THE EXEMPTION PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE APPLIED AGAINST THE GRANTOR'S TRANSFER TAX PAYMENT REQUIRED UNDER THIS SECTION.