

Approved May 27, 1988.

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CHAPTER 599

(Senate Bill 535)

AN ACT concerning

Recordation Tax - Instruments of Writing Securing Partial Debts

FOR the purpose of authorizing certain additional borrowers to have an option when paying a recordation tax on an instrument of writing that secures a debt when the total amount of the debt has not been incurred; and generally relating to payment of recordation tax on instruments of writing that secure a partial indebtedness.

BY repealing and reenacting, with amendments,

Article - Tax - Property  
Section 12-105(f)  
Annotated Code of Maryland  
(1986 Volume and 1987 Supplement)

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

Article - Tax - Property

12-105.

(f) (1) Except as provided in paragraph (4) of this subsection, if the total amount of secured debt has not been incurred at the time of recording or filing the instrument of writing, the recordation tax applies only to the principal amount of the debt incurred at that time.

(2) Except as provided in paragraphs (3) and (4) of this subsection, on or before 7 days after any additional debt is incurred after recording or filing an instrument of writing, a statement under oath of the amount of additional debt shall be filed with the clerk of the circuit court or with the Department, and the recordation tax shall be paid on the additional debt by the debtor.

(3) If the additional debt under paragraph (2) of this subsection is applied to repayment of the debt previously incurred, the recordation tax does not apply to the additional debt.