

WILLIAM DONALD SCHAEFER, Governor

This bill allows nonconsumer borrowers an alternative method of paying recordation tax on lines of credit.

Senate Bill 535, which was passed by the General Assembly and signed by me on May 27, 1988, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 881.

Sincerely,
William Donald Schaefer
Governor

House Bill No. 881

AN ACT concerning

Recordation Tax

FOR the purpose of extending to nonconsumer open end credit transactions an optional method of computing and paying the recordation tax; clarifying language; and generally relating to the recordation tax.

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.