

FOR the purpose of exempting from the recordation tax and the State and county transfer taxes certain instruments of writing that transfer title to real property from a partnership to a limited liability company under certain circumstances.

BY adding to

Article – Tax – Property

Section 12–108(y)

Annotated Code of Maryland

(1994 Replacement Volume and 1995 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 13–207(a) and 13–405

Annotated Code of Maryland

(1994 Replacement Volume and 1995 Supplement)

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

Article – Tax – Property

12–108.

(Y) AN INSTRUMENT OF WRITING THAT TRANSFERS TITLE TO REAL PROPERTY FROM A PARTNERSHIP TO A LIMITED LIABILITY COMPANY IS NOT SUBJECT TO RECORDATION TAX IF:

(1) THE MEMBERS OF THE LIMITED LIABILITY COMPANY ARE IDENTICAL TO THE PARTNERS OF THE CONVERTING PARTNERSHIP; AND

(2) EACH MEMBER'S ALLOCATION OF THE PROFITS AND LOSSES OF THE LIMITED LIABILITY COMPANY IS IDENTICAL TO THAT MEMBER'S ALLOCATION OF THE PROFITS AND LOSSES OF THE CONVERTING PARTNERSHIP.

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) § 12–108(a) of this article (Transfer to government or public agency);
- (2) § 12–108(c) of this article (Transfer between relatives);
- (3) § 12–108(d) of this article (Transfer between spouses);
- (4) § 12–108(e) of this article (Supplemental instrument);
- (5) § 12–108(f) of this article (Previously recorded instrument);
- (6) § 12–108(l) of this article (Judgments);
- (7) § 12–108(n) of this article (Order of satisfaction);