

SB0344/349237/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 344
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “Nonagricultural” in line 2 down through “Repeal” in line 3 and substitute “Alteration of Nonagricultural Use Reduction and Exemptions”; strike beginning with “repealing” in line 4 down through “tax” in line 7 and substitute “altering the method of calculating a certain reduction in the State agricultural land transfer tax for an instrument of writing that transfers title to agricultural land on which property tax was paid on the basis of an assessment other than farm or agricultural use in certain years before the transfer; repealing an exemption from the State agricultural land transfer tax for an instrument of writing that transfers title to agricultural land on which property tax was paid on the basis of an assessment other than farm or agricultural use for a certain number of years before the transfer; exempting an instrument of writing from the agricultural land transfer tax if the instrument of writing transfers title to agricultural land that was previously transferred by an instrument of writing that was subject to the agricultural land transfer tax; and generally relating to the nonagricultural use reduction to the State agricultural land transfer tax and exemptions from the State agricultural land transfer tax”; after line 7, insert:

“BY repealing and reenacting, without amendments,

Article – Tax – Property

Section 13–301(a) and (b) and 13–302(a) and (b)

Annotated Code of Maryland

(2012 Replacement Volume and 2018 Supplement)”;

and in line 10, strike “13–303(c)” and substitute “13–303”.

AMENDMENT NO. 2

(Over)

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On page 1, strike in their entirety lines 16 through 21, inclusive, and substitute:

“13–301.

(a) In this subtitle the following words have the meanings indicated.

(b) “Agricultural land” means real property that is or was assessed on the basis of farm or agricultural use under § 8–209 of this article.

13–302.

(a) Except as otherwise provided in § 13–305 of this subtitle, agricultural land transfer tax is imposed on an instrument of writing that transfers title to agricultural land.

(b) Agricultural land transfer tax is payable in addition to any other transfer tax imposed under this title.

13–303.

(a) The agricultural land transfer tax applies at the following rates:

(1) for a transfer of 20 acres or more of agricultural land, 5%;

(2) except as provided in item (3) of this subsection, for a transfer of less than 20 acres of agricultural land assessed for agricultural use or as unimproved agricultural land, 4%; or

(3) for a transfer of less than 20 acres of agricultural land assessed as improved agricultural land or agricultural land with site improvements, 3%.

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(b) If an instrument of writing is subject to different rates of agricultural land transfer tax under subsection (a) of this section, the total agricultural land transfer tax due is computed separately for each portion of agricultural land to which a different rate applies.

(c) Except as provided by § [13-305(c)(2)] **13-305(B)(2) OR (C)(4)** of this subtitle, the agricultural land transfer tax determined under subsection (a) or subsection (b) of this section is reduced by:

(1) 25% [for each consecutive full taxable year before a transfer in which] IF property tax on the agricultural land was paid on the basis of any assessment other than the farm or agricultural use assessment under § 8-209 of this article **FOR 1 FULL TAXABLE YEAR BEFORE A TRANSFER;**

(2) **50% IF PROPERTY TAX ON THE AGRICULTURAL LAND WAS PAID ON THE BASIS OF ANY ASSESSMENT OTHER THAN THE FARM OR AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS ARTICLE FOR 2 FULL CONSECUTIVE TAXABLE YEARS BEFORE A TRANSFER; AND**

(3) **65% IF PROPERTY TAX ON THE AGRICULTURAL LAND WAS PAID ON THE BASIS OF ANY ASSESSMENT OTHER THAN THE FARM OR AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS ARTICLE FOR 3 OR MORE FULL CONSECUTIVE TAXABLE YEARS BEFORE A TRANSFER.**

(d) (1) Except as provided in paragraph (2) of this subsection, in addition to the agricultural land transfer tax, a surcharge in an amount equal to 25% of the tax determined under subsections (a) through (c) of this section is imposed on an instrument of writing that transfers title to agricultural land.

(Over)

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(2) The surcharge imposed under paragraph (1) of this subsection does not apply to an instrument of writing that transfers property of 2 acres or less to be improved to a child or grandchild of the owner.

(e) When determining the rate of the agricultural land transfer tax to be imposed under subsection (a) or (b) of this section, the amount of agricultural land transferred that is exempt from the tax in accordance with § 13–305 of this subtitle may not be included in the amount of agricultural land that is transferred.”.

AMENDMENT NO. 3

On page 5, after line 10, insert:

“(H) THE AGRICULTURAL LAND TRANSFER TAX DOES NOT APPLY TO AN INSTRUMENT OF WRITING THAT TRANSFERS TITLE TO AGRICULTURAL LAND THAT WAS PREVIOUSLY TRANSFERRED BY AN INSTRUMENT OF WRITING THAT WAS SUBJECT TO THE AGRICULTURAL LAND TRANSFER TAX.”.