

HOUSE BILL 815

Q6
HB 1609/20 – W&M

1lr2320

By: **Delegate Shoemaker**

Introduced and read first time: January 29, 2021

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **State Agricultural Land Transfer Tax – Application of Nonagricultural Use**
3 **Reduction and Exemption**

4 FOR the purpose of clarifying that certain provisions of law concerning the method of
5 calculating a certain reduction in the State agricultural land transfer tax apply to a
6 transfer under a contract of sale dated on or after a certain date; clarifying that a
7 certain exemption from the State agricultural land transfer tax applies to a transfer
8 under a contract of sale dated on or after a certain date; authorizing a person who
9 paid State agricultural land transfer tax under certain provisions of law on a transfer
10 under a contract of sale dated before a certain date to apply for a refund of any excess
11 tax paid in accordance with certain provisions of law; and generally relating to the
12 application of the State agricultural land transfer tax.

13 BY repealing and reenacting, without amendments,
14 Article – Tax – Property
15 Section 13–303 and 13–305(h)
16 Annotated Code of Maryland
17 (2019 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,
19 Chapter 566 of the Acts of the General Assembly of 2019
20 Section 2

21 BY repealing and reenacting, with amendments,
22 Chapter 567 of the Acts of the General Assembly of 2019
23 Section 2

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

26 **Article – Tax – Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 13-303.

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

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

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

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

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

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

16 (1) 25% if property tax on the agricultural land was paid on the basis of
17 any assessment other than the farm or agricultural use assessment under § 8-209 of this
18 article for 1 full taxable year before a transfer;

19 (2) 50% if property tax on the agricultural land was paid on the basis of
20 any assessment other than the farm or agricultural use assessment under § 8-209 of this
21 article for 2 full consecutive taxable years before a transfer; and

22 (3) 65% if property tax on the agricultural land was paid on the basis of
23 any assessment other than the farm or agricultural use assessment under § 8-209 of this
24 article for 3 or more full consecutive taxable years before a transfer.

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

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

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

1 the amount of agricultural land that is transferred.

2 13–305.

3 (h) The agricultural land transfer tax does not apply to an instrument of writing
4 that transfers title to agricultural land that was previously transferred by an instrument
5 of writing that was subject to the agricultural land transfer tax.

6 **Chapter 566 of the Acts of 2019**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2019, AND SHALL BE APPLICABLE TO A TRANSFER UNDER A CONTRACT OF SALE
9 DATED ON OR AFTER JULY 1, 2019.

10 **Chapter 567 of the Acts of 2019**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2019, AND SHALL BE APPLICABLE TO A TRANSFER UNDER A CONTRACT OF SALE
13 DATED ON OR AFTER JULY 1, 2019.

14 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other
15 provision of law, a person who paid State agricultural land transfer tax under § 13–303(c)
16 of the Tax – Property Article as enacted by Chapters 566 and 567 of the Acts of the General
17 Assembly of 2019 on a transfer under a contract of sale dated before July 1, 2019, may
18 apply for a refund of any excess tax paid in accordance with Title 14, Subtitle 9 of the Tax
19 – Property Article.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
21 1, 2021.