

HOUSE BILL 1410

Q6

5lr2430

By: **Delegates R. Long, Buckel, Hornberger, T. Morgan, and Reilly**

Introduced and read first time: February 7, 2025

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Transfer Tax – Exemption for First-Time Home Buyers – Alterations**

3 FOR the purpose of altering the exemption from the State transfer tax for instruments of
4 writing that transfer improved residential real property to certain first-time home
5 buyers; and generally relating to the State transfer tax.

6 BY repealing

7 Article – Tax – Property

8 Section 13–203(b)

9 Annotated Code of Maryland

10 (2019 Replacement Volume and 2024 Supplement)

11 BY adding to

12 Article – Tax – Property

13 Section 13–207(d)

14 Annotated Code of Maryland

15 (2019 Replacement Volume and 2024 Supplement)

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

18 **Article – Tax – Property**

19 13–203.

20 [(b) (1) In this subsection, “first-time Maryland home buyer” means an
21 individual who has never owned in the State residential real property that has been the
22 individual’s principal residence.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) If there are two or more grantees, this subsection does not apply unless each grantee is a first-time Maryland home buyer or a co-maker or guarantor of a purchase money mortgage or purchase money deed of trust as defined in § 12-108(i) of this article for the property and the co-maker or guarantor will not occupy the residence as the co-maker's or guarantor's principal residence.

(3) Notwithstanding any other provision of law, for a sale of improved residential real property to a first-time Maryland home buyer who will occupy the property as a principal residence, the rate of the transfer tax is 0.25% of the consideration payable for the instrument of writing and the transfer tax shall be paid entirely by the seller.

(4) To qualify for the exemption under paragraph (3) of this subsection, each grantee or an agent of the grantee shall provide a statement that is signed under oath by the grantee or agent of the grantee stating that:

(i) 1. the grantee is an individual who has never owned in the State residential real property that has been the individual's principal residence; and

2. the residence will be occupied by the grantee as the grantee's principal residence; or

(ii) 1. the grantee is a co-maker or guarantor of a purchase money mortgage or purchase money deed of trust as defined in § 12-108(i) of this article for the property; and

2. the grantee will not occupy the residence as the co-maker's or guarantor's principal residence.

(5) A statement under paragraph (4) of this subsection by an agent of a grantee shall state that the statement:

(i) is based on a diligent inquiry made by the agent with respect to the facts set forth in the statement; and

(ii) is true to the best of the knowledge, information, and belief of the agent.]

13-207.

(D) (1) IN THIS SUBSECTION, "FIRST-TIME MARYLAND HOME BUYER" MEANS AN INDIVIDUAL WHO HAS NEVER OWNED IN THE STATE RESIDENTIAL REAL PROPERTY THAT HAS BEEN THE INDIVIDUAL'S PRINCIPAL RESIDENCE.

(2) IF THERE ARE TWO OR MORE GRANTEES, THIS SUBSECTION DOES NOT APPLY UNLESS EACH GRANTEE IS A FIRST-TIME MARYLAND HOME BUYER OR A CO-MAKER OR GUARANTOR OF A PURCHASE MONEY MORTGAGE OR PURCHASE

1 MONEY DEED OF TRUST AS DEFINED IN § 12-108(I) OF THIS ARTICLE FOR THE
2 PROPERTY AND THE CO-MAKER OR GUARANTOR WILL NOT OCCUPY THE RESIDENCE
3 AS THE CO-MAKER'S OR GUARANTOR'S PRINCIPAL RESIDENCE.

4 (3) AN INSTRUMENT OF WRITING THAT TRANSFERS IMPROVED
5 RESIDENTIAL REAL PROPERTY TO A FIRST-TIME MARYLAND HOME BUYER WHO
6 WILL OCCUPY THE PROPERTY AS A PRINCIPAL RESIDENCE IS NOT SUBJECT TO THE
7 TRANSFER TAX.

8 (4) TO QUALIFY FOR THE EXEMPTION UNDER PARAGRAPH (3) OF THIS
9 SUBSECTION, EACH GRANTEE OR AN AGENT OF THE GRANTEE SHALL PROVIDE A
10 STATEMENT THAT IS SIGNED UNDER OATH BY THE GRANTEE OR AGENT OF THE
11 GRANTEE STATING THAT:

12 (I) 1. THE GRANTEE IS AN INDIVIDUAL WHO HAS NEVER
13 OWNED IN THE STATE RESIDENTIAL REAL PROPERTY THAT HAS BEEN THE
14 INDIVIDUAL'S PRINCIPAL RESIDENCE; AND

15 2. THE RESIDENCE WILL BE OCCUPIED BY THE GRANTEE
16 AS THE GRANTEE'S PRINCIPAL RESIDENCE; OR

17 (II) 1. THE GRANTEE IS A CO-MAKER OR GUARANTOR OF A
18 PURCHASE MONEY MORTGAGE OR PURCHASE MONEY DEED OF TRUST AS DEFINED
19 IN § 12-108(I) OF THIS ARTICLE FOR THE PROPERTY; AND

20 2. THE GRANTEE WILL NOT OCCUPY THE RESIDENCE AS
21 THE CO-MAKER'S OR GUARANTOR'S PRINCIPAL RESIDENCE.

22 (5) A STATEMENT UNDER PARAGRAPH (4) OF THIS SUBSECTION BY AN
23 AGENT OF A GRANTEE SHALL STATE THAT THE STATEMENT:

24 (I) IS BASED ON A DILIGENT INQUIRY MADE BY THE AGENT
25 WITH RESPECT TO THE FACTS SET FORTH IN THE STATEMENT; AND

26 (II) IS TRUE TO THE BEST OF THE KNOWLEDGE, INFORMATION,
27 AND BELIEF OF THE AGENT.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2025.