



NOTICE

The collector of recordation tax must be satisfied that each of the requirements of any claimed exemption are established. Deeds claiming the recordation tax exemption under Tax-Property Article, Section 12-108(bb) must be accompanied with proof of the following:

- 1) There is an established real estate enterprise of the **current owners** of the property which is being discontinued in its present form of ownership. Acceptable proof is a lease or income or loss is claimed on an income tax return for the real estate enterprise.
- 2) The members of the limited liability company are identical to the individuals who own the property involved in the real estate enterprise.
- 3) The members' allocation of the profits and losses from the limited liability company are identical to the owner's allocation of the profits and losses in the real estate enterprise conveying the property. If detailed in the operating agreement of the limited liability company, the agreement is acceptable proof of the allocation of profit and loss among the members of the limited liability company.
- 4) The transfer of the property is part of a discontinuation of the real estate enterprise.
- 5) All of the property of the real estate enterprise owned by the individuals is being transferred to the **single** limited liability company.
- 6) The only consideration for the transfer of the real property is the issuance of the membership interest in the limited liability company.

If the property is residential, the residence must be **non-owner occupied**.