

# The Paley Rothman Blog

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## **RECORDATION EXEMPTIONS FOR COMMERCIAL REFINANCINGS**

Several recent changes to Maryland's recordation tax exemption law (§12-108 of the Tax-Property Article of the Annotated Code of Maryland), which took effect on July 1, 2013, should result in lower transactional costs in conjunction with the refinancing of commercial loans secured by a mortgage or deed of trust (for convenience, both will be referred to as "deed of trust") on commercial property.

## **MD LAW EXPANDS RECORDATION & TRANSFER TAX EXEMPTIONS**

Recordation and transfer taxes in Maryland are among the highest in the region, and can be prohibitively expensive to someone wanting to transfer real property - during life or at death, outright or in trust - as part of his or her estate planning. A new state law (effective July 1, 2011) that expands existing recordation and transfer tax exemptions should lower the transactional costs for many types of estate planning conveyances. It will also close a loophole that has recently been used by one Maryland county (and is under consideration by other counties in the state) to impose recordation and transfer taxes on certain transfers of real property from an estate.