



Transfer and Recordation Taxes Changes: Anne Arundel, Montgomery County, Maryland and the District of Columbia

Below is a short synopsis of 3 upcoming modifications to transfer/recordation taxes in the DMV. Click on the buttons for additional information. Please do not hesitate to reach out to our office if you have questions: [CONTACT US](#)

MONTGOMERY COUNTY

Bill 17-23 has been passed by the Montgomery County Council. As a result, the Montgomery County Code Section 52-16B has been revised and the changes made in this revision will become effective October 1, 2023.

Effective October 1, 2023, the first \$500,000 of the "consideration payable" or "principal amount of debt secured...including the mortgage or deed of trust assumed by a grantee" will be taxed @ \$4.45 per \$500, or fraction thereof.

\$500,000.01 - \$600,000 of the "considerable payable" or "principal amount of debt secured...including the mortgage or deed of trust assumed by a grantee" will be taxed @ \$6.75 per \$500, or fraction thereof.

\$600,000.01 - \$750,000 of of the "considerable payable" or "principal amount of debt secured...including the mortgage or deed of trust assumed by a grantee" will be taxed @ \$10.20 per \$500, or fraction thereof.

\$750,000.01 - \$1,000,000 of the "considerable payable" or "principal amount of debt secured...including the mortgage or deed of trust assumed by a grantee" will be taxed @ \$10.78 per \$500, or fraction thereof.

\$1,000,000.01 and over of the "considerable payable" or "principal amount of debt secured...including the mortgage or deed of trust assumed by a grantee" will be taxed @ \$11.35 per \$500, or fraction thereof.

The recordation tax exemption of \$100,000 will remain the same for an "individual" buyer who intends to use the property as the individual's principal residence.

The new recordation tax rates apply to any transaction that occurs on or after October 1, 2023.

Memo: New Tiers of Recordation Tax

ANNE ARUNDEL COUNTY

July 1, 2023, Anne Arundel County, will increase County Transfer Tax on transfers for which the total consideration is \$1,000,000 or more from 1% to 1.5%.

For transfers with consideration of less than \$1,000,000, the County transfer tax will remain at 1%.

[READ BILL NO. 40-23](#)

DISTRICT OF COLUMBIA

On October 1, 2019, the District increased both recordation and transfer tax rates from 1.45% to 2.5% for a combined total of 5% on commercial or mixed-use (Class 2) property deed transfers over \$2 million. The District also increased the recordation tax rate for applicable D.C. deeds of trust from 1.45% to 2.5%. Finally, the District increased the recordation tax rate from 2.9% to 5% for transfers of economic interests in certain entities that own D.C. real property. The provision is scheduled to sunset on September 30, 2023. If the planned sunset of the higher tax rates proceeds as anticipated, the recordation and transfer tax rates will be restored to the pre-October 1, 2019 rate, effective at the beginning of the District's next fiscal year, October 1, 2023.

Although the D.C. recordation and transfer tax reduction is on track, there remains opposition to passage. We will let you know if the sunset provision is extended beyond September 30 or overturned.

[READ MORE](#)

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