Bond Case Briefs

Municipal Finance Law Since 1971

TAX - MARYLAND

Gateway Terry, LLC v. Prince George's County

Court of Special Appeals of Maryland - January 26, 2022 - A.3d - 2022 WL 220151

Taxpayer, a foreign limited liability company (LLC) whose sole owner was pension fund for employees of county in another state, petitioned for judicial review of decision by the Tax Court affirming denial by state and county of refund of state recordation taxes and state and county transfer taxes paid on recording of deed conveying to taxpayer real property located in Maryland.

The Circuit Court affirmed. Taxpayer appealed.

The Court of Special Appeals held that:

- Term "State," as used in statutory exemption from state recordation taxes for transfers to governmental entities, referred only to the State of Maryland, not to any other state;
- Statutory exemption from state transfer taxes applied only to State of Maryland; and
- Exemption from county transfer taxes applied only to the State of Maryland.

Term "State," as used in statutory exemption from state recordation taxes for instrument of writing that transferred property or granted security interest to the State, agency of the State, or political subdivision in or of the State, referred only to the State of Maryland, not to any other state, even though general provisions article's definition of "State" with capital "S" to mean State of Maryland applied only if another definition was not provided and tax property article defined "State" or "state" to include a state of the United States, since tax-exemption statute used definite article "the" as opposed to indefinite article "a" with term "State," and statutory history confirmed tax property article's broader definition of "State" or "state" did not apply to tax-exemption statute.

The statutory exemption from state recordation taxes for transfers of property or granting of security interest to a governmental entity applies only to an instrument of writing that transfers property or grants a security interest to the State of Maryland, its agencies, or its political subdivisions.

The statutory exemption from state transfer taxes for transfers of property or granting of security interest to a governmental entity applies only to an instrument of writing that transfers property or grants a security interest to the State of Maryland, its agencies, or its political subdivisions.

County code provision stating that conveyances to the State, any agency of the State, or any political subdivision of the State shall not be subject to the county transfer tax creates an exemption only for conveyances to the State of Maryland, an agency of the State of Maryland, or a political subdivision of the State of Maryland; it does not create an exemption for conveyances to another state, to an agency of another state, or to a political subdivision of another state.

Constitutional exception to exhaustion-of-administrative-remedies requirement did not apply to argument by taxpayer, a foreign limited liability company (LLC) whose sole owner was pension fund for employees of county in another state, that state and county taxing authorities had violated its

equal protection rights by discriminating against it when they denied refund of state recordation taxes and state and county transfer taxes paid on recording of deed conveying to taxpayer real property located in Maryland on basis that exemptions from such taxes applied only to State of Maryland, its agencies, and its political subdivisions; taxpayer did not challenge constitutionality of exemptions as a whole, but only as applied.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com