



To Lead, Advocate and Connect as the Voice of Business

**HOUSE BILL 363: RECORDATION AND TRANSFER TAXES – EXEMPTIONS –
PROPERTY CONVEYED FROM SOLE PROPRIETORSHIP TO LIMITED
LIABILITY COMPANY**

WAYS AND MEANS COMMITTEE

FEBRUARY 16, 2017

SUPPORT

The Montgomery County Chamber of Commerce ("MCCC"), as the voice of Montgomery County business, **supports House Bill 363**, which exempts a transfer of real property from a sole proprietorship to a limited liability company from recordation and transfer taxes if the sole member of the limited liability company is identical to the converting sole proprietor and specified other conditions are met; and providing that the transfer of a controlling interest in a limited liability company that is the product of an untaxed conversion from a sole proprietorship is subject to the recordation and transfer tax under specified circumstances.

Economic competitiveness is a key area of focus for MCCC in pursuit of accelerating the success of our members. Given the recent increase in the Montgomery County recordation tax, we believe it is important to avoid penalizing an individual who, for a variety of reasons, would need to transfer real property from a sole proprietorship to a limited liability company.

For these reasons, we request a **favorable report** on House Bill 363.

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our members by advocating for increased business opportunities, strategic investment in infrastructure and balanced tax reform to advance Metro Maryland as a regional, national and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

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