

**Administrative Release No. 15**

**Subject: Information Reporting on Sales of Real Estate Located in Maryland and Owned by Nonresidents\***

**I. General**

The 1993 session of the Maryland General Assembly passed House Bill 221 (Chapter 139, Acts of 1993) requiring information returns to be filed with the comptroller on sales of real property by nonresident individual owners. The bill was enacted into law and specifically provides that:

Any real estate reporting person who is required to file a return under §6045 of the Internal Revenue Code shall file a copy of that return with the Comptroller if: (1) the vendor is a nonresident; and (2) the real property sold is located in Maryland. (Tax-General Article, §10-830)

**II. Federal Law**

Under §6045 of the Internal Revenue Code, a real estate reporting person must report real estate transactions on federal Form 1099-S, *Proceeds from Real Estate Transactions*. However, no information return is required if the transferor is a corporate or governmental unit.

A real estate reporting person means any of the following persons involved in a real estate transaction in the following order: (1) The person (including any attorney or title company) responsible for closing the transaction; (2) the mortgage lender; (3) the transferor's broker; (4) the transferee's broker; and (5) the transferee.

**III. Maryland Law**

**A. Who is required to file?**

For Maryland purposes, except as provided in E, any real estate reporting person who is required to file a Form 1099-S is required to file a copy of the Form 1099-S with the Comptroller of Maryland if: (1) the transferor's address shown on the form is an

out-of-state address; and (2) the address or legal description of the property sold is located in Maryland.

**B. Filing date**

A copy of the 1099-S must be filed with the Comptroller of Maryland no later than January 31st of the year following the calendar year in which the transaction was closed.

**C. Where to File**

A copy of the 1099-S shall be filed with the Comptroller of Maryland, Custodian of the Records, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411.

**D. Effective Date**

Information returns must be filed for real estate transactions closed on or after July 1, 1993.

**E. Exceptions**

An information return need not be filed where the transferor of the property is a corporation, a partnership, an organization exempt under §10-104 of the Tax-General Article or, in general, if a Form 1099-S is not required for federal reporting purposes.

Revised: September 2007

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\* For the income tax withholding and reporting requirements on the sale of real property in Maryland by Nonresidents, see Tax-General Article, §10-912 and Code of Maryland Regulations (COMAR) 03.04.12.01 - .08.



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