

Tax Alert



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Changes in Maryland Income Tax Law for Sales of Real Property by Nonresidents

In the 2007 Special Session, the Maryland General Assembly enacted the Tax Reform Act of 2007 which resulted in changes in the income tax law that provides for withholding requirements on the sale or transfer of real property by a nonresident individual or a nonresident entity. The changes became effective January 1, 2008. Below are these changes as amended by the 2008 legislative session. For more details on these changes, visit the Comptroller's Web site www.marylandtaxes.com.

Sale or Transfer of Real Property and Associated Personal Property by a Nonresident Individual or a Nonresident Entity: For tax years beginning after December 31, 2007, the tax rates that apply to withholding on a sale or transfer of real property and associated personal property will be 7.5 percent for a nonresident individual and 8.25 percent for a nonresident entity.

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