
By: **Delegate Cryor**

Introduced and read first time: February 4, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Inheritance Tax - Tax Rate - Family of Decedent**

3 FOR the purpose of altering the inheritance tax rate for property that passes from a
4 decedent to or for the use of certain family members of the decedent or certain
5 corporations; and providing for the application of this Act.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 7-204
9 Annotated Code of Maryland
10 (1997 Replacement Volume and 1998 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Tax - General**

14 7-204.

15 (a) In this section, "clear value" means fair market value minus expenses.

16 (b) Except as provided in [subsection (c)] SUBSECTIONS (C) AND (D) of this
17 section, the inheritance tax rate is 10% of the clear value of the property that passes
18 from a decedent.

19 (c) The inheritance tax rate is [1%] 1/2% of the clear value of:

20 (1) the property that passes from a decedent to or for the use of:

21 (i) a grandparent of the decedent;

22 (ii) a parent of the decedent;

23 (iii) a spouse of the decedent;

24 (iv) a child or other lineal descendant of the decedent;

1 (v) a stepparent or stepchild of the decedent; or

2 (vi) a corporation if all of its stockholders consist of the surviving
3 spouse, parents, stepparents, stepchildren, lineal descendants of the decedent, and
4 spouses of the lineal descendants; and

5 (2) the first \$2,000 that passes from the decedent, by survivorship, to a
6 spouse of a lineal descendant of the decedent from savings accounts that the decedent
7 and spouse of the lineal descendant held jointly.

8 (d) THE INHERITANCE TAX RATE IS 5% OF THE CLEAR VALUE OF THE
9 PROPERTY THAT PASSES FROM A DECEDENT TO OR FOR THE USE OF THE
10 DECEDENT'S SIBLINGS.

11 (E) If a decedent died on or before May 31, 1975, the rate of the inheritance tax
12 is the rate in effect on the date of the decedent's death.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 1999 and shall be applicable to decedents dying on or after July 1, 1999.