

HOUSE BILL 627

Q7

9lr2242

By: **Delegate Krebs**

Introduced and read first time: February 6, 2009

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Estate Tax and Income Tax – Deductions for Estate Expenses and**
3 **Losses**

4 FOR the purpose of repealing a provision prohibiting a certain deduction in computing
5 the taxable estate of a decedent for purposes of calculating the Maryland estate
6 tax; requiring a certain addition modification under the Maryland income tax if
7 a certain deduction has been or will be allowed in computing the taxable estate
8 of a decedent on a Maryland estate tax return; providing for the application of
9 this Act; and generally relating to deductions under the Maryland estate tax.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 7–309(b)(1) and (2)
13 Annotated Code of Maryland
14 (2004 Replacement Volume and 2008 Supplement)

15 BY repealing
16 Article – Tax – General
17 Section 7–309(b)(7)
18 Annotated Code of Maryland
19 (2004 Replacement Volume and 2008 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article – Tax – General
22 Section 10–205(a)
23 Annotated Code of Maryland
24 (2004 Replacement Volume and 2008 Supplement)

25 BY adding to
26 Article – Tax – General
27 Section 10–205(k)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2004 Replacement Volume and 2008 Supplement)

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

5 **Article – Tax – General**

6 7–309.

7 (b) (1) Except as provided in paragraphs (2) through [(7)] (6) of this
8 subsection, after the effective date of an Act of Congress described in subsection (a) of
9 this section, the Maryland estate tax shall be determined using:

10 (i) the federal credit allowable by § 2011 of the Internal
11 Revenue Code as in effect before the reduction or repeal of the federal credit pursuant
12 to the Act of Congress; and

13 (ii) other provisions of federal estate tax law as in effect on the
14 date of the decedent's death.

15 (2) Except as provided in paragraphs (3) through [(7)] (6) of this
16 subsection, if the federal estate tax is not in effect on the date of the decedent's death,
17 the Maryland estate tax shall be determined using:

18 (i) the federal credit allowable by § 2011 of the Internal
19 Revenue Code as in effect before the reduction or repeal of the federal credit pursuant
20 to the Act of Congress; and

21 (ii) other provisions of federal estate tax law as in effect on the
22 date immediately preceding the effective date of the repeal of the federal estate tax.

23 [(7) For purposes of calculating Maryland estate tax, amounts
24 allowable under § 2053 or § 2054 of the Internal Revenue Code as a deduction in
25 computing the taxable estate of a decedent may not be allowed as a deduction or as an
26 offset against the sales price of property in determining gain or loss if the amount has
27 been allowed as a deduction in computing the federal taxable income of the estate or of
28 any other person.]

29 10–205.

30 (a) In addition to the modification under § 10–204 of this subtitle, the
31 amounts under this section are added to the federal adjusted gross income of a
32 resident to determine Maryland adjusted gross income.

33 **(K) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES**
34 **ANY AMOUNT ALLOWED AS A DEDUCTION OR USED AS AN OFFSET AGAINST THE**

1 SALES PRICE OF PROPERTY IN DETERMINING GAIN OR LOSS FOR FEDERAL
2 INCOME TAX PURPOSES IF THE AMOUNT IS ALLOWABLE UNDER § 2053 OR § 2054
3 OF THE INTERNAL REVENUE CODE AND HAS BEEN OR WILL BE ALLOWED AS A
4 DEDUCTION IN COMPUTING THE TAXABLE ESTATE OF A DECEDENT ON A
5 MARYLAND ESTATE TAX RETURN.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2009, and shall be applicable to all estates of decedents dying after December
8 31, 2008, and all taxable years beginning after December 31, 2008.