

JON S. CARDIN
Legislative District 11
Baltimore County

Judiciary Committee

Chair
Civil Law and Procedure
Subcommittee



The Maryland House of Delegates
6 Bladen Street, Room 217
Annapolis, Maryland 21401
410-841-3054 · 301-858-3054
800-492-7122 Ext. 3054
Fax 410-841-3385 · 301-858-3385
Jon.Cardin@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

RE: House Bill 100

Inheritance Tax Rate – Beneficiaries of Limited Means

Position -- Support

Owning a home has long been considered “the” pinnacle of achieving the American Dream, the purpose of this bill is to use our tax policy to help people of limited mean reach that American Dream.

Inheritance tax is exempted for immediate relatives but for those it is not, the tax is often too cumbersome to acquire the property. This bill allows a beneficiary to pay a reduced tax on an inherited property if they meet the reduced gross taxable income parameters. It has been narrowed by amendment to only include beneficiaries that already reside in the home and therefore can and must declare said home their primary residence. The amendment also strikes the language about active farms, as this important issue will be addressed another time.

The HB 100 addresses the chasm between inheriting a home that is your primary residence and having to sell the property in order to pay inheritance tax. No longer will someone have to sell the property to afford to pay the tax on it, as one of my constituents was forced to do when they could not afford to pay \$50,000 in taxes.

All of us are familiar with “income contingent” student loan forgiveness that President Biden ordered last year based on a person’s adjusted gross income. HB 100 uses the same formula and then allows a person to choose to pay 20% of their AGI instead of 20% of the value of the asset as the tax, **BUT ONLY IF THEY ARE ALREADY USING THE PROPERTY AS THEIR PRIMARY RESIDENCE.**

This measure is designed to reduce the inheritance tax rate for people of limited means, allowing them to remain in the residence they are already living in, and not forcing them to give keep people in their primary residence.