



Letter of Information

Senate Bill 704 – Maryland Estate Tax – Qualified Agricultural Property – Transfer to a Limited Liability Company
Budget & Taxation Committee
March 4, 2026

The Comptroller of Maryland is respectfully submitting this letter of information regarding Senate Bill 704 – Maryland Estate Tax – Qualified Agricultural Property – Transfer to a Limited Liability Company. SB704 authorizes recipients of qualified agricultural property to transfer ownership to an LLC without being subject to estate tax recapture if the property is used for farming purposes for at least 10 years after the decedent's death.

Our office is currently in the process of migrating more than 3 million individual taxpayers from our legacy mainframe to our new integrated tax system, Maryland Tax Connect. This migration, currently scheduled for August 2026, is the largest and most complex phase of our years-long modernization project, and will also include migration of several other tax types, including estate taxes.

SB704 will require our office to modify our tax system and to update forms, instructions, and guidance. We can implement SB704 without requiring additional staffing and with minimal IT costs. However, SB704 applies to decedents who passed away after June 30, 2026. As estate taxes will be moving to the new system in August 2026, in order to ensure a smooth migration, the Comptroller of Maryland respectfully requests that implementation of SB704 instead be delayed to apply to decedents who passed away after June 30, 2027.

We would like to thank Senator Mautz for working with our office on this issue. If you have any questions, please reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

