

CF 7r1010

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**By: Delegate Vallario**

Introduced and read first time: January 31, 1997

Assigned to: Judiciary

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 1997

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## CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Estates - Taxation, Fees, and Procedures**

3 FOR the purpose of changing certain fees charged for the administration of an estate in  
 4 probate and for guardianship proceedings; altering the fee for administration of  
 5 certain estates by a foreign personal representative; repealing a certain codified  
 6 form; codifying a certain form; establishing net value of an asset rather than gross  
 7 value of an asset as the method of valuation used for small estates; eliminating the  
 8 authority of the Motor Vehicle Administration to transfer title of certain motor  
 9 vehicles under certain circumstances; authorizing payment, without court approval,  
 10 of certain commissions and fees for the administration of certain estates under  
 11 certain circumstances; exempting certain assets from inheritance taxation; ~~changing~~  
 12 ~~the inheritance tax rate for property passing to certain persons~~; making certain  
 13 stylistic changes; and generally relating to fees and procedures for the  
 14 administration of and taxation of estates.

15 BY repealing and reenacting, without amendments,

16 Article - Estates and Trusts

17 Section 2-206(a)

18 Annotated Code of Maryland

19 (1991 Replacement Volume and 1996 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article - Estates and Trusts

22 Section 2-206(c) through (p), 5-206, 5-601, 7-202, and 8-106

23 Annotated Code of Maryland

24 (1991 Replacement Volume and 1996 Supplement)

25 BY repealing

2

1 Article - Estates and Trusts  
2 Section 5-608  
3 Annotated Code of Maryland  
4 (1991 Replacement Volume and 1996 Supplement)

5 BY adding to  
6 Article - Estates and Trusts  
7 Section 7-604  
8 Annotated Code of Maryland  
9 (1991 Replacement Volume and 1996 Supplement)

10 BY repealing and reenacting, with amendments,  
11 Article - Tax - General  
12 Section 7-203(g) ~~and 7-204~~  
13 Annotated Code of Maryland  
14 (1988 Volume and 1996 Supplement)

15 BY adding to  
16 Article - Tax - General  
17 Section 7-203(k)  
18 Annotated Code of Maryland  
19 (1988 Volume and 1996 Supplement)

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

22 **Article - Estates and Trusts**

23 2-206.

24 (a) The registers of wills are entitled to charge and collect for the performance of  
25 their duties the fees in this section.

26 (c) For furnishing additional certificates of letters, with seal.....[ \$1.00] \$1

27 (d) For affixing seal of office to a transcript or other paper, if expressly required  
28 by law or a person .....[ \$1.00] \$1

29 (e) For affixing seal of office to a certificate, transcript, or other paper  
30 exemplified under the act of Congress..... [ \$2.00] \$2

31 (f) For passing and entering every claim or voucher against an estate of a  
32 deceased person, and endorsing certificate on each claim or voucher when passed by the  
33 court or register, for each.....[ \$1.00] \$3

34 (g) For entering papers in caveat or other controversial matter, for each  
35 side.....[ \$5.00] \$10

36 (h) For transcribing papers filed in caveat or other controversial proceedings  
37 when taken to higher court, per page or part of a page.....[ \$2.00] \$2

3

1 (i) For recording papers filed in caveat or other controversial proceedings, when  
2 mandate of higher court is filed, per page or part of a page.....[\$2.00] \$2

3 (j) For copies of a paper or record, including plain certification and seal, per  
4 page or part of a page .....[ \$2.00] \$2

5 (k) For photostatic or other artificially reproduced copies of a paper or record,  
6 per page or part of a page .....[\$ .50] 50 CENTS

7 (l) For receiving a will for deposit during the lifetime of the testator.....[\$1.00] \$5

8 (m) [For entering the appointment of a guardian, approval of sureties, and filing  
9 and recording bonds and entering on docket for 1 minor.....\$6.50

10 For each additional minor .....\$.75]

11 FOR ALL FILING AND ENTRIES REGARDING A GUARDIANSHIP PROCEEDING, A  
12 SINGLE FEE OF..... \$20

13 [(n) For filing and recording guardian accounts and petitions and orders per page  
14 or part of a page .....\$2.00]

15 [(o)] (N) For receiving and paying over an inheritance tax due the State, the  
16 register is allowed a commission of [25 percent] 25% of the inheritance tax.

17 [(p)] (O) For providing a probate information booklet and materials .....[ \$2.00] \$2

18 (P) FOR ALL PROCEEDINGS INVOLVING A FOREIGN PERSONAL  
19 REPRESENTATIVE, A SINGLE FEE OF 1% OF THE GROSS VALUE OF THE ESTATE, NOT  
20 TO EXCEED \$100.

21 5-206.

22 In a proceeding for administrative or judicial probate the petition for probate shall  
23 be in substantially the following form:

24 [In the Matter of  
25 .....  
26 Deceased

27 Before the Register of Wills for  
28 InDnT.....

29 PETITION FOR PROBATE

30 The Petition of ..... shows:

31 1. ...., the decedent, who resided at ..... in ..... County, State of .....  
32 died at ..... on .....

33 2. The decedent died (with) (without) a will.

34 3. Petitioner is entitled to be appointed personal representative of the  
35 decedent's estate under § 5-104 of the Estates and Trusts Article of the Maryland Code  
36 for the following reasons: .....

4

1 .....

2 .....

3 4. This is the proper office in which to file the Petition because: .....

4 .....

5 .....

6 5. The Petitioner has made a diligent search for a will of the decedent and, to the  
7 best of the knowledge of the Petitioner, (the will accompanying this Petition dated  
8 ..... is the decedent's latest will, and said will came into Petitioner's hands in the  
9 following manner) (none exists): .....

10 .....

11 .....

12 6. If the decedent died with a will, the names and addresses of all witnesses are:

13 .....

14 .....

15 7. All other proceedings regarding the decedent's estate are as follows: .....

16 .....

17 .....

18 8. The reason why any information required to be furnished by §§ 5-201 and  
19 5-202 of the Estates and Trusts Article has not been furnished, is as follows:

20 .....

21 .....

22 WHEREFORE, the Petitioner prays that he be granted letters appointing him  
23 personal representative of the decedent's estate and that the will, if any, be admitted to  
24 (administrative) (judicial) probate, and that the following additional relief be granted:

25 I (we) do hereby solemnly declare and affirm under the penalties of perjury that the  
26 information and representations contained in the Petition are true and correct according  
27 to my (our) knowledge, information, and belief. ....  
28 InDnT(Signature)]

29 IN THE ORPHANS' COURT FOR

30 (OR) \_\_\_\_\_, MARYLAND

31 BEFORE THE REGISTER OF WILLS FOR

32 IN THE ESTATE OF:

33 \_\_\_\_\_ ESTATE NO. \_\_\_\_\_



1 BEGIN-TABLE;c=03:000:030:063  
 2 <Tr01 >FOR: \_\_\_\_\_ REGULAR ESTATE-  
 3 <Tr01 > PETITION FOR PROBATE,  
 4 <Tr01 > ESTATE VALUE IN  
 5 <Tr01 > EXCESS OF \$20,000.  
 6 <Tr01 > COMPLETE AND ATTACH  
 7 <Tr01 > SCHEDULE - A.  
 8 <Tc02 >\_\_\_\_\_ SMALL ESTATE -  
 9 <Tc02 >PETITION FOR ADMINISTRATION,  
 10 <Tc02 >ESTATE VALUE OF \$20,000  
 11 <Tc02 >OR LESS. COMPLETE AND  
 12 <Tc02 >ATTACH SCHEDULE - B.  
 13 <Tc03 >\_\_\_\_\_ WILL OF NO  
 14 <Tc03 >ESTATE -  
 15 <Tc03 >COMPLETE ITEMS  
 16 <Tc03 >2 AND 5  
 17 END-TABLE

18 THE PETITION OF:

19 \_\_\_\_\_  
 20 NAME ADDRESS

21 InDnT \_\_\_\_\_

22 \_\_\_\_\_  
 23 NAME ADDRESS

24 InDnT \_\_\_\_\_

25 \_\_\_\_\_  
 26 NAME ADDRESS

27 InDnT \_\_\_\_\_

28 EACH OF US STATES:

29 1. I AM (A) AT LEAST 18 YEARS OF AGE AND EITHER A CITIZEN OF THE UNITED  
 30 STATES OR A PERMANENT RESIDENT ALIEN SPOUSE OF THE DECEDENT OR (B) A  
 31 TRUST COMPANY OR ANY OTHER CORPORATION AUTHORIZED BY LAW TO ACT  
 32 AS A PERSONAL REPRESENTATIVE.

33 2. THE DECEDENT, \_\_\_\_\_, WAS DOMICILED  
 34 IN \_\_\_\_\_ COUNTY, STATE OF \_\_\_\_\_ AND  
 35 DIED ON THE \_\_\_\_\_ DAY OF  
 \_\_\_\_\_ 19\_\_\_\_\_,  
 36 AT \_\_\_\_\_.

37 3. IF THE DECEDENT WAS NOT DOMICILED IN THIS COUNTY AT THE TIME OF  
 38 DEATH, THIS IS THE PROPER OFFICE IN WHICH TO FILE THIS PETITION BECAUSE:  
 39 \_\_\_\_\_.

40 4. I AM ENTITLED TO PRIORITY OF APPOINTMENT AS PERSONAL REPRESENTATIVE

41 OF THE DECEDENT'S ESTATE PURSUANT TO § 5-104 OF THE ESTATES AND TRUSTS  
42 ARTICLE, ANNOTATED CODE OF MARYLAND BECAUSE:

43 \_\_\_\_\_

44 \_\_\_\_\_

45 AND I AM NOT EXCLUDED BY § 5-105(B) OF THE ESTATES AND TRUSTS ARTICLE,  
46 ANNOTATED CODE OF MARYLAND FROM SERVING AS PERSONAL  
47 REPRESENTATIVE.

48 5. I HAVE MADE A DILIGENT SEARCH FOR THE DECEDENT'S WILL AND TO THE BEST  
49 OF MY KNOWLEDGE:

50 \_\_\_\_\_ NONE EXISTS; OR

51 \_\_\_\_\_ THE WILL DATED \_\_\_\_\_ (INCLUDING CODICILS, IF

52 ANY, DATED \_\_\_\_\_) ACCOMPANYING THIS PETITION IS THE LAST

6

1 WILL AND IT CAME INTO MY HANDS IN THE FOLLOWING MANNER:

2 \_\_\_\_\_

3 \_\_\_\_\_

4 AND THE NAMES AND LAST KNOWN ADDRESSES OF THE WITNESSES ARE:

5 \_\_\_\_\_

6 \_\_\_\_\_

7 \_\_\_\_\_

8 6. OTHER PROCEEDINGS, IF ANY, REGARDING THE DECEDENT OR THE ESTATE ARE  
9 AS FOLLOWS:

10 \_\_\_\_\_

11 \_\_\_\_\_

12 7. IF ANY INFORMATION REQUIRED BY PARAGRAPHS 2 THROUGH 6 HAS NOT BEEN  
13 FURNISHED, THE REASON IS:

14 \_\_\_\_\_

15 \_\_\_\_\_

16 8. IF APPOINTED, I ACCEPT THE DUTIES OF THE OFFICE OF PERSONAL  
17 REPRESENTATIVE AND CONSENT TO PERSONAL JURISDICTION IN ANY ACTION  
18 BROUGHT IN THIS STATE AGAINST ME AS PERSONAL REPRESENTATIVE OR  
19 ARISING OUT OF THE DUTIES OF THE OFFICE OF PERSONAL REPRESENTATIVE.

20 WHEREFORE, I REQUEST APPOINTMENT AS PERSONAL REPRESENTATIVE OF  
21 THE DECEDENT'S ESTATE AND THE FOLLOWING RELIEF AS INDICATED:

22 \_\_\_\_\_ THAT THE WILL AND CODICILS, IF ANY, BE ADMITTED TO ADMINISTRATIVE  
23 PROBATE;

24 \_\_\_\_\_ THAT THE WILL AND CODICILS, IF ANY, BE ADMITTED TO JUDICIAL PROBATE;

25 \_\_\_\_\_ THAT THE WILL AND CODICILS, IF ANY, BE FILED ONLY;

26 \_\_\_\_\_ THAT THE FOLLOWING ADDITIONAL RELIEF BE GRANTED:

27 \_\_\_\_\_

28 \_\_\_\_\_

29 I SOLEMNLY AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE  
30 CONTENTS OF THE FOREGOING PETITION ARE TRUE TO THE BEST OF MY  
31 KNOWLEDGE, INFORMATION, AND BELIEF.

32 \_\_\_\_\_

33 ATTORNEY'S SIGNATURE PETITIONER DATE



34 \_\_\_\_\_  
35 \_\_\_\_\_ ADDRESS PETITIONER DATE

36 \_\_\_\_\_  
37 InDnT PETITIONER DATE

7

1 \_\_\_\_\_  
2 TELEPHONE NUMBER TELEPHONE NUMBER

3 IN THE ORPHANS' COURT FOR

4 (OR) \_\_\_\_\_, MARYLAND

5 BEFORE THE REGISTER OF WILLS FOR

6 IN THE ESTATE OF:

7 \_\_\_\_\_ ESTATE NO. \_\_\_\_\_

8 SCHEDULE - A

9 REGULAR ESTATE

10 ESTIMATED VALUE OF ESTATE AND UNSECURED DEBTS:

11 PERSONAL PROPERTY (APPROXIMATE VALUE)..... \$ \_\_\_\_\_

12 REAL PROPERTY (APPROXIMATE VALUE)..... \$ \_\_\_\_\_

13 VALUE OF PROPERTY SUBJECT TO:

14 (A) DIRECT INHERITANCE TAX OF \_\_\_\_%..... \$ \_\_\_\_\_

15 (B) COLLATERAL INHERITANCE TAX OF \_\_\_\_%..... \$ \_\_\_\_\_

16 (C) COLLATERAL INHERITANCE TAX OF \_\_\_\_%..... \$ \_\_\_\_\_

17 UNSECURED DEBTS (APPROXIMATE AMOUNT)..... \$ \_\_\_\_\_

18 -----

19 (FOR REGISTER'S USE)

20 SAFEKEEPING WILLS \_\_\_\_ CUSTODY OF WILLS \_\_\_\_

21 BOND SET \$ \_\_\_\_ DEPUTY \_\_\_\_

22 IN THE ORPHANS' COURT FOR

23 (OR) \_\_\_\_\_, MARYLAND

24 BEFORE THE REGISTER OF WILLS FOR

25 IN THE ESTATE OF:

26 \_\_\_\_\_ ESTATE NO. \_\_\_\_\_

27 SCHEDULE - B

28 SMALL ESTATE

29 ASSETS AND DEBTS OF THE DECEDENT:

30 1. I HAVE MADE A DILIGENT SEARCH TO DISCOVER ALL PROPERTY AND DEBTS OF

31 THE DECEDENT AND SET FORTH BELOW ARE:

32 (A) A LISTING OF ALL REAL AND PERSONAL PROPERTY OWNED BY

8

1 THE DECEDENT, INDIVIDUALLY OR AS TENANT IN COMMON,  
2 AND OF ANY OTHER PROPERTY TO WHICH THE DECEDENT OR  
3 ESTATE WOULD BE ENTITLED, INCLUDING DESCRIPTIONS,  
4 VALUES, AND HOW THE VALUES WERE DETERMINED:

5 \_\_\_\_\_

6 \_\_\_\_\_

7 \_\_\_\_\_

8 (B) A LISTING OF ALL CREDITORS AND CLAIMANTS AND THE  
9 AMOUNTS CLAIMED, INCLUDING SECURED\*, CONTINGENT AND  
10 DISPUTED CLAIMS:

11 \_\_\_\_\_

12 \_\_\_\_\_

13 \_\_\_\_\_

14 2. ALLOWABLE FUNERAL EXPENSES ARE \$ \_\_\_\_\_; STATUTORY  
15 FAMILY ALLOWANCES ARE \$ \_\_\_\_\_; AND EXPENSES OF  
16 ADMINISTRATION ARE \$ \_\_\_\_\_.

17 3. ATTACHED IS A LIST OF INTERESTED PERSONS.

18 \*NOTE: § 5-601(C) OF THE ESTATES AND TRUSTS ARTICLE, ANNOTATED CODE OF  
19 MARYLAND "FOR THE PURPOSE OF THIS SUBTITLE - VALUE IS DETERMINED BY  
20 FAIR MARKET VALUE OF PROPERTY LESS DEBTS OF RECORD SECURED BY THE  
21 PROPERTY AS OF THE DATE OF DEATH, TO THE EXTENT THAT INSURANCE BENEFITS  
22 ARE NOT PAYABLE TO THE LIEN HOLDER OR SECURED PARTY FOR THE SECURED  
23 DEBT."

24 I SOLEMNLY AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE  
25 CONTENTS OF THE FOREGOING ~~INFORMATION~~ SCHEDULE ARE TRUE TO THE BEST  
26 OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

27 \_\_\_\_\_  
28 ATTORNEY'S SIGNATURE PETITIONER DATE

29 \_\_\_\_\_  
30 ADDRESS PETITIONER DATE

31 \_\_\_\_\_  
32 TELEPHONE NUMBER TELEPHONE NUMBER

33 5-601.

34 (a) If the property of the decedent subject to administration in Maryland is  
35 established to have a [gross] value of \$20,000 or less as of the date of the death of the  
36 decedent, the estate may be administered in accordance with the provisions of §§ 5-602  
37 through 5-607 OF THIS SUBTITLE.

38 (b) If, before the filing of an initial account in administration proceedings

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39 instituted under Subtitle 3 or Subtitle 4 of this title, the property of the decedent subject  
40 to administration in Maryland is established to have a [gross] value of \$20,000 or less as  
41 of the date of the death of the decedent, the estate thereafter may be administered in  
42 accordance with the provisions of §§ 5-602 through 5-607 OF THIS SUBTITLE.

9

1 (C) FOR THE PURPOSE OF THIS SUBTITLE, VALUE IS DETERMINED BY THE  
2 FAIR MARKET VALUE OF PROPERTY LESS DEBTS OF RECORD SECURED BY THE  
3 PROPERTY, AS OF THE DATE OF DEATH, TO THE EXTENT THAT INSURANCE  
4 BENEFITS ARE NOT PAYABLE TO THE LIEN HOLDER OR SECURED PARTY FOR THE  
5 SECURED DEBT.

6 [5-608.

7 (a) (1) If the only property of an estate of a decedent is not more than two  
8 motor vehicles, the Motor Vehicle Administration may transfer the title to the motor  
9 vehicles to the person entitled to them if he is satisfied that all debts and taxes owed by  
10 the decedent have been paid. Administration of the estate of the decedent is not  
11 necessary in this case.

12 (2) If the interest of an owner in a vehicle for which a certificate of title has  
13 been issued passes to a legatee or distributee as a result of testamentary disposition or  
14 intestate devolution, no application for a new certificate of title need be made until the  
15 expiration of the current annual registration in the name of the deceased owner, and the  
16 certificate of title need not be submitted to the department until the application for a new  
17 certificate of title is made. A certificate of letters testamentary or of administration issued  
18 by a court of competent jurisdiction is sufficient authority for the Motor Vehicle  
19 Administration to transfer the title of the vehicle of a deceased owner if title is properly  
20 assigned by the personal representative of the deceased owner.

21 (b) (1) If the only property of a decedent is a boat or vessel, the appraised value  
22 of which does not exceed \$5,000, the United States Coast Guard or the State Department  
23 of Natural Resources may transfer the certificate of registration for the boat or vessel to  
24 the person entitled to it if the agency is satisfied that all debts and taxes owed by the  
25 decedent have been paid.

26 (2) A verified statement signed by two persons to the effect that they have  
27 personal knowledge of the value of boats of the type of the particular boat involved and  
28 that the value of the boat does not exceed \$5,000 is sufficient evidence of the value of the  
29 boat to warrant the transfer of the registration certificate.]

30 7-202.

31 (a) The value of each item listed in the inventory shall be fairly appraised as of  
32 the date of death and stated in the inventory. The personal representative may appraise  
33 the corporate stocks listed on a national or regional exchange or over the counter  
34 securities and items in categories (4) and (5) of § 7-201 OF THIS SUBTITLE. ~~He~~ THE  
35 PERSONAL REPRESENTATIVE shall secure an independent appraisal of the items in all  
36 of the other categories. ~~He~~ THE PERSONAL REPRESENTATIVE may select one of the  
37 methods specified in this section.

38 (b) The personal representative may apply for appraisal by appraisers designated  
39 by the register under §§ 2-301(a) or 2-302 OF TITLE 2 OF THIS ARTICLE.

40 (C) INSTEAD OF AN APPRAISAL OF THE FAIR MARKET VALUE, REAL AND  
41 LEASEHOLD PROPERTY MAY BE VALUED AT THE MOST RECENT NEW MARKET  
42 VALUE AS DETERMINED BY THE DEPARTMENT OF ASSESSMENTS AND TAXATION'S  
43 ASSESSMENT NOTICE FOR THE PROPERTY.

10

1           [(c)] (D) The personal representative may employ a qualified and disinterested  
2 appraiser to assist ~~him~~ THE PERSONAL REPRESENTATIVE in ascertaining the fair  
3 market value, as of the date of the death of the decedent, of an asset the value of which  
4 may be fairly debatable. Different persons may be employed to appraise different kinds of  
5 assets included in the estate. The name and address of each appraiser shall be indicated  
6 on the inventory with the item or items ~~he~~ THE APPRAISER appraised.

7           [(d)] (E) Reasonable appraisal fees shall be allowed as an administration expense.

8 7-604.

9           (A) PAYMENT OF COMMISSIONS TO PERSONAL REPRESENTATIVES UNDER §  
10 7-601 OF THIS SUBTITLE, AND ATTORNEY'S FEES UNDER § 7-602 OF THIS SUBTITLE  
11 MAY BE MADE WITHOUT COURT APPROVAL IF:

12                   (1) EACH CREDITOR, WHO HAS FILED A CLAIM THAT IS STILL OPEN,  
13 AND ALL INTERESTED PERSONS CONSENT IN WRITING TO THE PAYMENT;

14                   (2) THE COMBINED SUM OF THE PAYMENTS OF COMMISSIONS AND  
15 ATTORNEY'S FEES DOES NOT EXCEED THE AMOUNTS PROVIDED IN § 7-601 OF THIS  
16 SUBTITLE; AND

17                   (3) THE SIGNED WRITTEN CONSENT FORM STATES THE AMOUNTS OF  
18 THE PAYMENTS AND IS FILED WITH THE REGISTER OF WILLS.

19           (B) WHEN RENDERING ACCOUNTS, THE PERSONAL REPRESENTATIVE SHALL  
20 DESIGNATE ANY PAYMENT MADE UNDER THIS SECTION AS AN EXPENSE.

21 8-106.

22           (a) Subject to the priorities contained in § 8-105 OF THIS SUBTITLE, the personal  
23 representative shall pay the funeral expenses of the decedent within six months of the  
24 first appointment of a personal representative.

25           (b) Funeral expenses shall be allowed in the discretion of the court according to  
26 the condition and circumstances of the decedent. In no event may the allowance exceed  
27 ~~[\$3,500]~~ \$5,000 unless the estate of the decedent is solvent and a special order of court  
28 has been obtained. If the estate is solvent and the will expressly empowers the personal  
29 representative to pay the expenses without an order of court, an allowance by the court is  
30 not required.

31           (c) If the funeral expenses are not paid within six months, the creditor may  
32 petition the court to require the personal representative to show cause why he should not  
33 be compelled to make the payment. If the court finds that the claim is valid, it shall fix the  
34 amount due and shall order the personal representative to make payment within ten days  
35 after the order is served upon him. If the personal representative does not have sufficient  
36 funds, the claimant may at a later date resubmit his petition when the personal  
37 representative has sufficient funds.

11

1 **Article - Tax - General**

2 7-203.

3 (g) The inheritance tax does not apply to the receipt of property that passes from  
4 a decedent to any 1 person if the total value of the property does not exceed [\$150]  
5 \$1,000.

6 (K) THE INHERITANCE TAX DOES NOT APPLY TO THE RECEIPT OF PROPERTY  
7 THAT IS INCOME, INCLUDING GAINS AND LOSSES, ACCRUED ON PROBATE ASSETS  
8 AFTER THE DATE OF DEATH OF THE DECEDENT.

9 ~~7-204.~~

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

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

14 (c) ~~The inheritance tax rate is 1% of the clear value of:~~

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

16 (i) ~~a grandparent of the decedent;~~

17 (ii) ~~a parent of the decedent;~~

18 (iii) ~~a spouse of the decedent;~~

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

20 (v) ~~a stepparent or stepchild of the decedent; or~~

21 (vi) ~~a corporation if all of its stockholders consist of the surviving~~  
22 ~~spouse, parents, stepparents, stepchildren, lineal descendants of the decedent, and~~  
23 ~~spouses of the lineal descendants; and~~

24 (2) ~~the first \$2,000 that passes from the decedent, by survivorship, to a~~  
25 ~~spouse of a lineal descendant of the decedent from savings accounts that the decedent~~  
26 ~~and spouse of the lineal descendant held jointly.~~

27 (D) ~~THE INHERITANCE TAX RATE IS 8% OF THE CLEAR VALUE OF THE~~  
28 ~~PROPERTY THAT PASSES FROM A DECEDENT TO THE DECEDENT'S SIBLINGS.~~

29 ~~[(d)] (E) If a decedent died on or before May 31, 1975, the rate of the inheritance~~  
30 ~~tax is the rate in effect on the date of the decedent's death.~~

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 January 1, 1998, and shall apply to the estates of persons who die on or after January 1,  
33 1998.



