

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1396 (Delegate Finifter)
Ways and Means

Inheritance Tax Refunds - Limitations Period

This bill prohibits an inheritance tax refund claim from being filed after three years from the date of the event that caused the refund.

This bill is effective July 1, 1997.

Fiscal Summary

State Effect: Minimal decrease in revenues beginning in FY 1998. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: None. This bill would not directly affect small businesses.

Fiscal Analysis

State Revenues: Under this bill the statute of limitations for inheritance tax refunds would be measured from the date of the event that caused the refund instead of from the date of payment of the tax. The new statute of limitations would conform to the current statute of limitations for the estate tax. Requests for inheritance tax refunds are first approved by the Register of Wills and then forwarded to the Comptroller for approval. There have been five or fewer requests denied by the Comptroller in the past several years due to the expiration of the current time limitation. The amount of revenues lost under this bill is expected to be minimal.

Any inheritance tax refunds issued that would not have been issued under current law would

result in an increase in the estate tax paid by estates valued at over \$600,000.

Information Sources: Register of Wills, Comptroller of the Treasury (Revenue Administration Division), Department of Fiscal Services

Fiscal Note History: First Reader - March 10, 1997

nrd

Analysis by: Ryan Bishop

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710