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By: **Delegates Workman and Mandel**

Introduced and read first time: January 29, 1998

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Inheritance Tax - Tax Rate - Sibling of Decedent**

3 FOR the purpose of altering the inheritance tax rate for property that passes from a  
4 decedent to or for the use of a sibling of the decedent; and providing for the  
5 application of this Act.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - General  
8 Section 7-204  
9 Annotated Code of Maryland  
10 (1997 Replacement Volume)

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

13 **Article - Tax - General**

14 7-204.

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

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

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

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

21 (i) a grandparent of the decedent;

22 (ii) a parent of the decedent;

23 (iii) a spouse of the decedent;

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

1 (v) a stepparent or stepchild of the decedent; or

2 (vi) a corporation if all of its stockholders consist of the surviving  
3 spouse, parents, stepparents, stepchildren, lineal descendants of the decedent, and  
4 spouses of the lineal descendants; and

5 (2) the first \$2,000 that passes from the decedent, by survivorship, to a  
6 spouse of a lineal descendant of the decedent from savings accounts that the decedent  
7 and spouse of the lineal descendant held jointly.

8 (d) THE INHERITANCE TAX RATE IS 5% OF THE CLEAR VALUE OF THE  
9 PROPERTY THAT PASSES FROM A DECEDENT TO OR FOR THE USE OF THE  
10 DECEDENT'S SIBLINGS.

11 (E) If a decedent died on or before May 31, 1975, the rate of the inheritance tax  
12 is the rate in effect on the date of the decedent's death.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 July 1, 1998 and shall be applicable to decedents dying on or after July 1, 1998.