# HOUSE BILL 1142

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Q7
HB 866/97 - W&M

1998 Regular Session
8lr1933

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By: **Delegates Brinkley, Getty, McKee, Finifter, Stocksdale, Barve, Stull,**
**Workman, Stup, Kagan, Elliott, Edwards, and Hecht**
Introduced and read first time: February 13, 1998
Assigned to: Ways and Means

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Committee Report: Favorable
House action: Adopted
Read second time: March 25, 1998

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CHAPTER_____

1 AN ACT concerning

2 **Inheritance Tax - Exemption for Property that Passes to Public, Charitable,**
3 **or Religious Organizations**

4 FOR the purpose of altering an exemption under the inheritance tax for the receipt of
5     property that passes from a decedent to or for the use of certain organizations.

6 BY repealing and reenacting, with amendments,
7     Article - Tax - General
8     Section 7-203(e)
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 7-203.

15     (e)        The inheritance tax does not apply to the receipt of property that passes
16 from a decedent to or for the use of an organization THAT IS exempt from taxation
17 under § 501(c)(3) of the Internal Revenue Code OR TO WHICH TRANSFERS ARE
18 DEDUCTIBLE UNDER § 2055 OF THE INTERNAL REVENUE CODE if the organization:

19               (1)        is incorporated under the laws of this State;

1          (2)          conducts a substantial part of all its activities in this State or in the
2 District of Columbia; or

3          (3)          has its principal place of business in a jurisdiction whose law:

4                    (i)          does not impose death taxes on the receipt of property that
5 passes from a decedent to a beneficiary of this State that is exempt from taxation
6 under § 501(c)(3) of the Internal Revenue Code OR TO WHICH TRANSFERS ARE
7 DEDUCTIBLE UNDER § 2055 OF THE INTERNAL REVENUE CODE; or

8                    (ii)          contains a reciprocal exemption from death taxes similar to the
9 exemption allowed in this subsection.

10     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 1998.