

SENATE BILL 229

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1999 Regular Session
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CF HB 27

By: **Senators Roesser, Bromwell, Colburn, Collins, Conway, Dorman, Dyson,
Ferguson, Hoffman, Hollinger, Jacobs, Kelley, Lawlah, Middleton,
Sfikas, and Teitelbaum**

Introduced and read first time: February 2, 1999

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Inheritance Tax and Income Tax - Victims of Nazi Persecution**

3 FOR the purpose of providing an exclusion from the inheritance tax for certain assets
4 stolen from, hidden from, or otherwise lost to a victim of Nazi persecution and
5 for certain payments or distributions to victims of Nazi persecution or their
6 spouses or descendants; providing a subtraction modification under the
7 Maryland individual income tax for certain amounts included in federal
8 adjusted gross income attributable to, derived from, or related to certain assets
9 stolen from, hidden from, or otherwise lost to a victim of Nazi persecution and
10 certain payments or distributions to victims of Nazi persecution or their spouses
11 or descendants; providing that the exclusion from the inheritance tax and the
12 subtraction modification include certain interest payments; providing that the
13 exclusion from the inheritance tax and the subtraction modification do not
14 include certain assets; providing that the exclusion from the inheritance tax and
15 the subtraction modification only apply to certain individuals; providing for the
16 application of this Act; and generally relating to the taxation of certain
17 distributions or payments attributable to Nazi persecution and made to certain
18 individuals.

19 BY adding to
20 Article - Tax - General
21 Section 7-203(1) and 10-207(t)
22 Annotated Code of Maryland
23 (1997 Replacement Volume and 1998 Supplement)

24 BY repealing and reenacting, without amendments,
25 Article - Tax - General
26 Section 10-207(a)
27 Annotated Code of Maryland
28 (1997 Replacement Volume and 1998 Supplement)

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

3 **Article - Tax - General**

4 7-203.

5 (L) (1) IN THIS SUBSECTION, THE TERM "VICTIM OF NAZI PERSECUTION"
6 MEANS A VICTIM OF NAZI PERSECUTION WITHIN THE MEANING OF THE NAZI
7 PERSECUTION VICTIMS ELIGIBILITY BENEFITS ACT, PUB. L. NO. 103-286, 108 STAT.
8 1450 (1994).

9 (2) THE INHERITANCE TAX DOES NOT APPLY TO THE RECEIPT OF
10 PROPERTY THAT IS:

11 (I) AN ASSET THAT WAS:

12 1. STOLEN FROM, HIDDEN FROM, OR OTHERWISE LOST TO A
13 VICTIM OF NAZI PERSECUTION DUE TO NAZI PERSECUTION;

14 2. SUBSEQUENTLY RECOVERED; AND

15 3. RECEIVED BY THE DECEDENT DURING THE DECEDENT'S
16 LIFETIME; OR

17 (II) A DISTRIBUTION MADE TO A DECEDENT BECAUSE OF THE
18 DECEDENT'S STATUS AS:

19 1. A VICTIM OF NAZI PERSECUTION; OR

20 2. A SPOUSE OR DESCENDANT OF A VICTIM OF NAZI
21 PERSECUTION.

22 (3) THE EXCLUSION UNDER PARAGRAPH (2) OF THIS SUBSECTION
23 INCLUDES INTEREST ON THE PROCEEDS RECEIVABLE AS INSURANCE UNDER
24 POLICIES ISSUED BY EUROPEAN INSURANCE COMPANIES PRIOR TO AND DURING
25 WORLD WAR II TO A VICTIM OF NAZI PERSECUTION.

26 (4) THE EXCLUSION UNDER PARAGRAPH (2) OF THIS SUBSECTION DOES
27 NOT INCLUDE:

28 (I) ASSETS ACQUIRED WITH THE ASSETS DESCRIBED IN
29 PARAGRAPH (2) OF THIS SUBSECTION; OR

30 (II) ASSETS ACQUIRED WITH PROCEEDS FROM THE SALE OF THE
31 ASSETS DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION.

32 (5) THE EXCLUSION UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION
33 SHALL ONLY APPLY IF THE DECEDENT WAS THE FIRST RECIPIENT OF THE ASSET

1 DESCRIBED IN PARAGRAPH (2)(I) OF THIS SUBSECTION AFTER THEIR RECOVERY AND
2 WAS:

3 (I) A VICTIM OF NAZI PERSECUTION; OR

4 (II) A SPOUSE OR DESCENDANT OF A VICTIM OF NAZI
5 PERSECUTION.

6 10-207.

7 (a) To the extent included in federal adjusted gross income, the amounts under
8 this section are subtracted from the federal adjusted gross income of a resident to
9 determine Maryland adjusted gross income.

10 (T) (1) IN THIS SUBSECTION, THE TERM "VICTIM OF NAZI PERSECUTION"
11 MEANS A VICTIM OF NAZI PERSECUTION WITHIN THE MEANING OF THE NAZI
12 PERSECUTION VICTIMS ELIGIBILITY BENEFITS ACT, PUB. L. NO. 103-286, 108 STAT.
13 1450 (1994).

14 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
15 INCLUDES:

16 (I) INCOME OF AN INDIVIDUAL RELATED TO ASSETS STOLEN
17 FROM, HIDDEN FROM, OR OTHERWISE LOST TO A VICTIM OF NAZI PERSECUTION DUE
18 TO NAZI PERSECUTION; AND

19 (II) A DISTRIBUTION MADE TO AN INDIVIDUAL BECAUSE OF THE
20 INDIVIDUAL'S STATUS AS:

21 1. A VICTIM OF NAZI PERSECUTION; OR

22 2. A SPOUSE OR DESCENDANT OF A VICTIM OF NAZI
23 PERSECUTION.

24 (3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION
25 INCLUDES INTEREST ON THE PROCEEDS RECEIVABLE AS INSURANCE UNDER
26 POLICIES ISSUED BY EUROPEAN INSURANCE COMPANIES IMMEDIATELY PRIOR TO
27 AND DURING WORLD WAR II TO A VICTIM OF NAZI PERSECUTION.

28 (4) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION
29 DOES NOT INCLUDE ASSETS ACQUIRED WITH THE ASSETS DESCRIBED IN
30 PARAGRAPH (2) OF THIS SUBSECTION OR WITH THE PROCEEDS FROM THE SALE OF
31 THE ASSETS DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION.

32 (5) THE SUBTRACTION UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION
33 SHALL ONLY APPLY IF THE INDIVIDUAL IS THE FIRST RECIPIENT OF THE ASSETS
34 DESCRIBED IN PARAGRAPH (2)(I) OF THIS SUBSECTION AFTER THEIR RECOVERY AND
35 IS:

36 (I) A VICTIM OF NAZI PERSECUTION; OR

1 (II) A SPOUSE OR DESCENDANT OF A VICTIM OF NAZI
2 PERSECUTION.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 1999. The exclusion under § 7-203(l) of the Tax - General Article shall be
5 applicable to decedents dying on or after July 1, 1999. The subtraction modification
6 under § 10-207(t) of the Tax - General Article shall be applicable to all taxable years
7 beginning after December 31, 1998.