

HOUSE BILL 13

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Q7
HB 982/99 - W&M

2000 Regular Session
0lr0479
CF 0lr0445

(PRE-FILED)

By: **Delegates Taylor, Patterson, Finifter, Mandel, Cryor, Dewberry, Busch, Guns, Harrison, Howard, Menes, Montague, Rawlings, Owings, Rosenberg, Vallario, ~~and Wood~~ Wood, W. Baker, Barkley, Bartlett, Bohanan, Bozman, Bronrott, Cadden, Cane, Clagett, Cole, Conroy, Conway, D'Amato, DeCarlo, Donoghue, Doory, Dypski, Flanagan, Frush, Giannetti, Goldwater, Hammen, Healey, Hecht, Heller, Hubers, James, V. Jones, K. Kelly, Klausmeier, Krysiak, Love, Malone, McHale, Minnick, Mitchell, Moe, Mohorovic, Morhaim, Pendergrass, Petzold, Pitkin, Proctor, Riley, Rosso, Rudolph, Rzepkowski, Sophocleus, Stern, Turner, Valderrama, Weir, Zirkin, Carlson, C. Davis, Marriott, McKee, and Shriver**

Requested: November 15, 1999
Introduced and read first time: January 12, 2000
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 8, 2000

CHAPTER _____

1 AN ACT concerning

2 **Inheritance Tax - Repeal**

3 FOR the purpose of exempting from the inheritance tax certain property that passes
4 from a decedent to or for the use of certain relatives of a decedent or to or for the
5 use of a corporation owned by certain relatives of a decedent; repealing the
6 inheritance tax for decedents dying on or after a certain date; altering certain
7 probate fees charged by the registers of wills; altering the calculation of the
8 Maryland estate tax; providing for the administration of estates and certain
9 taxes with respect to decedents dying before certain dates; altering certain bond
10 requirements to be executed by a personal representative of a decedent's estate;
11 altering certain provisions regarding funding of the registers of wills offices;
12 requiring the Department of Budget and Management, the Comptroller of the
13 Treasury, and the Chief Judge of the Court of Appeals in cooperation with
14 representatives of the registers of wills, to conduct a certain study and report to
15 the General Assembly on or before a certain date; providing for the effective
16 dates and application of this Act; and generally relating to the repeal of the
17 inheritance tax.

1 BY repealing and reenacting, with amendments,
2 Article - Tax - General
3 Section 7-203(b) and 7-204
4 Annotated Code of Maryland
5 (1997 Replacement Volume and 1999 Supplement)

6 BY repealing
7 Article - Tax - General
8 Section 7-203(j)
9 Annotated Code of Maryland
10 (1997 Replacement Volume and 1999 Supplement)

11 BY repealing
12 Article - Estates and Trusts
13 Section 2-206(n), ~~2-207~~, 5-505, and 7-307
14 Annotated Code of Maryland
15 (1991 Replacement Volume and 1999 Supplement)

16 BY repealing
17 Article - Tax - General
18 Section 1-101(j); 2-701 and 2-702 and the subtitle "Subtitle 7. Inheritance Tax
19 Revenue Distribution"; 7-201, ~~7-202~~, 7-205 through 7-225, inclusive,
20 7-231(a) through (d), inclusive, 7-232 through 7-234, inclusive, and the
21 subtitle "Subtitle 2. Inheritance Tax"; 13-511; 13-845 and the part "Part
22 VII. Sale of Estate Property"; and 13-906
23 Annotated Code of Maryland
24 (1997 Replacement Volume and 1999 Supplement)

25 BY repealing
26 Article - Tax - General
27 Section 7-203 and 7-204
28 Annotated Code of Maryland
29 (1997 Replacement Volume and 1999 Supplement)
30 (As enacted by Section 1 of this Act)

31 BY repealing and reenacting, with amendments,
32 Article - Business Regulation
33 Section 5-503(b) and (c)
34 Annotated Code of Maryland
35 (1998 Replacement Volume and 1999 Supplement)

36 BY repealing and reenacting, with amendments,
37 Article - Estates and Trusts

1 Section 2-205, 2-206(b), 2-207, 5-206, 5-504, 5-707, 5-709, 6-102(b) and
 2 (h)(2), 12-103, 14-201(2), and 15-309
 3 Annotated Code of Maryland
 4 (1991 Replacement Volume and 1999 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article - Tax - General
 7 Section 7-104, 7-118, 7-304, 7-305, 7-306, ~~13-101(e)(2)~~, 13-302(b), 13-510(a),
 8 13-601, 13-603, 13-701, 13-805, 13-806, 13-901(d), and 13-1104(d)
 9 Annotated Code of Maryland
 10 (1997 Replacement Volume and 1999 Supplement)

11 BY repealing and reenacting, with amendments, and transferring
 12 Article - Tax - General
 13 Section 7-228 and 7-231(e)
 14 Annotated Code of Maryland
 15 (1997 Replacement Volume and 1999 Supplement)
 16 to be
 17 Article - Estates and Trusts
 18 Section 2-213
 19 Annotated Code of Maryland
 20 (1991 Replacement Volume and 1999 Supplement)

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

23 **Article - Tax - General**

24 7-203.

25 (b) The inheritance tax does not apply to the receipt of [the family allowance
 26 that a surviving spouse and minor children of a decedent are allowed under § 3-201 of
 27 the Estates and Trusts Article] PROPERTY THAT PASSES FROM A DECEDENT TO OR
 28 FOR THE USE OF:

29 (1) A GRANDPARENT OF THE DECEDENT;

30 (2) A PARENT OF THE DECEDENT;

31 (3) A SPOUSE OF THE DECEDENT;

32 (4) A CHILD OR OTHER LINEAL DESCENDANT OF THE DECEDENT;

33 (5) A SPOUSE OF A CHILD OR OTHER LINEAL DESCENDANT OF THE
 34 DECEDENT;

35 (6) A STEPPARENT OR STEPCHILD OF THE DECEDENT; OR

1 (7) A CORPORATION IF ALL OF ITS STOCKHOLDERS CONSIST OF THE
2 SURVIVING SPOUSE, PARENTS, STEPPARENTS, STEPCHILDREN, AND LINEAL
3 DESCENDANTS OF THE DECEDENT AND SPOUSES OF THE LINEAL DESCENDANTS.

4 [(j) The inheritance tax does not apply to the receipt of property that passes
5 from a decedent to or for the use of the surviving spouse of the decedent and is:

6 (1) an interest in property that is held in the name of the decedent and
7 the surviving spouse and passes by right of survivorship;

8 (2) real property, including leasehold property; or

9 (3) the first \$100,000 of property other than:

10 (i) real property, including leasehold property; or

11 (ii) an interest in property that passes by right of survivorship.]

12 7-204.

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

14 (b) Except as provided in [subsections (c) and (e)] SUBSECTION (D) of this
15 section, the inheritance tax rate is 10% of the clear value of the property that passes
16 from a decedent.

17 [(c) The inheritance tax rate is 0.9% of the clear value of:

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

19 (i) a grandparent of the decedent;

20 (ii) a parent of the decedent;

21 (iii) a spouse of the decedent;

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

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

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

27 (2) the first \$2,000 that passes from the decedent, by survivorship, to a
28 spouse of a lineal descendant of the decedent from savings accounts that the decedent
29 and spouse of the lineal descendant held jointly.]

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

1 [(e)] (D) The inheritance tax rate for property that passes from a decedent to
 2 or for the use of a brother or sister of the decedent is:

3 (1) 8% of the clear value of the property for decedents dying on or after
 4 July 1, 1999 but before July 1, 2000;

5 (2) 6% of the clear value of the property for decedents dying on or after
 6 July 1, 2000 but before July 1, 2001; and

7 (3) 5% of the clear value of the property for decedents dying on or after
 8 July 1, 2001.

9 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 2-206(n),
 10 ~~2-207~~, 5-505, and 7-307 of Article - Estates and Trusts of the Annotated Code of
 11 Maryland be repealed.

12 SECTION ~~2~~, 3. AND BE IT FURTHER ENACTED, That Section(s) 1-101(j);
 13 2-701 and 2-702 and the subtitle "Subtitle 7. Inheritance Tax Revenue Distribution";
 14 7-201 through 7-225, inclusive, 7-231(a) through (d), inclusive, 7-232 through
 15 7-234, inclusive, and the subtitle "Subtitle 2. Inheritance Tax"; 13-511; 13-845 and
 16 the part "Part VII. Sale of Estate Property"; and 13-906 of Article - Tax - General of
 17 the Annotated Code of Maryland be repealed.

18 SECTION ~~3~~, 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 19 read as follows:

20 **Article - Business Regulation**

21 5-503.

22 (b) The interest of an owner of a burial lot or crypt that is held for the burial
 23 of the owner or others and not held as an investment is not:

- 24 (1) considered property;
- 25 (2) subject to attachment or execution for debt;
- 26 (3) subject to the insolvency laws of the State; OR
- 27 (4) to be inventoried in the estate of the owner[]; or
- 28 (5) subject to inheritance taxes].

29 (c) The interest of an owner of a burial lot or crypt that is held as an
 30 investment and not held for the burial of the owner or others is:

- 31 (1) considered personal property;
- 32 (2) subject to attachment or execution for debt;
- 33 (3) subject to the insolvency laws of the State; AND

- 1 (4) to be inventoried in the estate of the owner[; and
2 (5) subject to inheritance taxes].

3 **Article - Estates and Trusts**

4 2-205.

5 (a) (1) It is the intent of this section that each register shall receive a fair
6 and adequate compensation for the effort and duties required of the register by the
7 register's office.

8 (2) The volume and character of work done by the register shall be in
9 comparison to the salary fixed by the Board of Public Works for each of the other
10 registers.

11 (b) (1) Each register is entitled to receive an annual salary of not less than
12 \$6,000 and not more than \$75,000, to be determined in each instance by the Board of
13 Public Works.

14 (2) In determining the annual salary of the register, the Board of Public
15 Works shall be guided in the exercise of its discretion by:

16 (i) The population of the county determined by the last official
17 United States census;

18 (ii) The dollar volume of total fees [and taxes] collected {and
19 excess fees turned over to the State} for each of the preceding 5 years by the office of
20 the register for which the salary is being fixed; and

21 (iii) Other pertinent data which have relation to the reasonableness
22 of the salary in relation to the work done and volume handled by the office.

23 (c) The minimum annual salary for the register in Baltimore City is \$12,000.

24 {(d) (1) The salaries of the registers shall be paid semimonthly from the fees
25 and receipts of the office, after deducting the expenses of the office.

26 (2) Expenses include salaries of deputies and clerks, books, stationery,
27 office supplies, and other necessary and customary expenses of doing business.

28 (e) ~~(1)~~ If the fees and receipts of the office are insufficient in any fiscal year
29 to pay all or a part of the expenses of the office and authorized salary of a register, ~~the~~
30 ~~deficiency shall be funded from the taxes remitted to the comptroller of the treasury~~
31 ~~by the register during that fiscal year. Written authority for the transfer of funds~~
32 ~~shall be first obtained from the State Comptroller.~~

33 ~~(2) In the event that tax collections for the fiscal year are insufficient,~~
34 ~~the Comptroller shall make up the deficit from;~~

1 (I) FROM excess fees remitted from all other registers UNDER §
2 2-207(B) OF THIS SUBTITLE; AND

3 (II) IF THE EXCESS FEES REMITTED FROM ALL OTHER REGISTERS
4 ARE INSUFFICIENT TO MAKE UP THE DEFICIT, FROM FUNDS PROVIDED IN THE
5 STATE BUDGET FOR THIS PURPOSE.}

6 (D) (1) THE SALARIES OF THE REGISTERS OF WILLS AND THE COSTS AND
7 EXPENSES OF THE OFFICES OF THE REGISTERS OF WILLS SHALL BE FUNDED
8 THROUGH THE STATE BUDGET.

9 (2) THE REGISTERS OF WILLS SHALL DEPOSIT THE FEES COLLECTED
10 UNDER § 2-206 OF THIS SUBTITLE TO THE GENERAL FUND OF THE STATE.

11 (3) FOR EACH FISCAL YEAR, EACH REGISTER OF WILLS SHALL SUBMIT A
12 BUDGET FOR THE REVIEW AND APPROVAL OF THE GENERAL ASSEMBLY.

13 (4) EACH BUDGET SUBMITTED UNDER THIS SUBSECTION SHALL BE
14 SUBMITTED TO THE COMPTROLLER IN A UNIFORM FORMAT AS PRESCRIBED BY THE
15 SECRETARY OF BUDGET AND MANAGEMENT.

16 (5) EXPENDITURES FOR THE REGISTERS OF WILLS OFFICES MAY ONLY
17 BE MADE IN ACCORDANCE WITH:

18 (A) AN APPROPRIATION IN THE ANNUAL STATE BUDGET APPROVED
19 BY THE GENERAL ASSEMBLY; OR

20 (H) THE BUDGET AMENDMENT PROCEDURE UNDER § 7-209 OF THE
21 STATE FINANCE AND PROCUREMENT ARTICLE.

22 2-206.

23 (b) (1) For taking probate of wills and furnishing 2 certified copies of the
24 will and codicils, granting letters of administration and furnishing 12 certificates of
25 letters, issuing warrants to appraise, entering on estate docket, filing elections of
26 surviving spouses to take intestate shares, filing renunciations and disclaimers, filing
27 and recording wills, bonds, inventories, accounts of sale, releases, administration
28 accounts, petitions and orders, and other papers filed in the administration of
29 decedents' estates not otherwise specified in subsections (c) through (l) of this section,
30 the probate fees under paragraph (2) of this subsection.

31 (2) [Probate] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS
32 SUBSECTION, PROBATE fees shall be assessed on the value of the probate estate at the
33 following rates:

34	<u>If the Value</u>		
35	<u>of the</u>		
36	<u>Probate</u>		
37	<u>Estate Is</u>	<u>But Less</u>	<u>The Fee</u>
38	<u>At Least</u>	<u>Than</u>	<u>Is</u>

1	<u>(i)</u>	<u>--</u>	<u>\$ 10,000</u>	<u>\$ 50</u>
2	<u>(ii)</u>	<u>\$ 10,000</u>	<u>\$ 20,000</u>	<u>\$ 100</u>
3	<u>(iii)</u>	<u>\$ 20,000</u>	<u>\$ 50,000</u>	<u>[\$ 150]</u>
4				<u>\$ 200</u>
5	<u>(iv)</u>	<u>\$ 50,000</u>	<u>\$ 75,000</u>	<u>[\$ 200]</u>
6				<u>\$ 350</u>
7	<u>(v)</u>	<u>\$ 75,000</u>	<u>\$ 100,000</u>	<u>[\$ 300]</u>
8				<u>\$ 475</u>
9	<u>(vi)</u>	<u>\$ 100,000</u>	<u>\$ 250,000</u>	<u>\$ 400</u>
10	<u>(vii)</u>	<u>\$ 250,000</u>	<u>\$ 500,000</u>	<u>\$ 500</u>
11	<u>(viii)</u>	<u>\$ 500,000</u>	<u>\$ 750,000</u>	<u>\$ 750</u>
12	<u>(ix)</u>	<u>\$ 750,000</u>	<u>\$1,000,000</u>	<u>\$1,000</u>
13	<u>(x)</u>	<u>\$1,000,000</u>	<u>\$2,000,000</u>	<u>\$1,500</u>
14	<u>(xi)</u>	<u>\$2,000,000</u>	<u>\$5,000,000</u>	<u>\$2,500</u>
15	<u>(xii)</u>	<u>\$5,000,000</u>	<u>--</u>	<u>\$2,500 plus</u>
16				<u>.02% of</u>
17				<u>excess over</u>
18				<u>\$5,000,000]</u>
19	<u>(VI)</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 650</u>
20	<u>(VII)</u>	<u>\$ 150,000</u>	<u>\$ 200,000</u>	<u>\$ 900</u>
21	<u>(VIII)</u>	<u>\$ 200,000</u>	<u>\$ 300,000</u>	<u>\$1,250</u>
22	<u>(IX)</u>	<u>\$ 300,000</u>	<u>\$ 400,000</u>	<u>\$ 1,750</u>
23	<u>(X)</u>	<u>\$ 400,000</u>	<u>\$ 500,000</u>	<u>\$ 2,250</u>
24	<u>(XI)</u>	<u>\$ 500,000</u>	<u>\$ 600,000</u>	<u>\$ 2,750</u>
25	<u>(XII)</u>	<u>\$ 600,000</u>	<u>\$ 700,000</u>	<u>\$ 3,000</u>
26	<u>(XIII)</u>	<u>\$ 700,000</u>	<u>\$ 800,000</u>	<u>\$ 3,500</u>
27	<u>(XIV)</u>	<u>\$ 800,000</u>	<u>\$ 900,000</u>	<u>\$ 4,000</u>
28	<u>(XV)</u>	<u>\$ 900,000</u>	<u>\$ 1,000,000</u>	<u>\$ 4,500</u>
29	<u>(XVI)</u>	<u>\$ 1,000,000</u>	<u>\$ 1,250,000</u>	<u>\$ 5,000</u>
30	<u>(XVII)</u>	<u>\$ 1,250,000</u>	<u>\$ 1,500,000</u>	<u>\$ 5,500</u>
31	<u>(XVIII)</u>	<u>\$ 1,500,000</u>	<u>\$ 2,000,000</u>	<u>\$ 6,000</u>
32	<u>(XIX)</u>	<u>\$ 2,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 7,000</u>
33	<u>(XX)</u>	<u>\$ 3,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 8,000</u>
34	<u>(XXI)</u>	<u>\$ 5,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ 9,000</u>
35	<u>(XXII)</u>	<u>\$ 7,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000</u>

1	<u>(XXIII)</u>	\$ 10,000,000	--	\$ 10,000
2				<u>PLUS .02%</u>
3				<u>OF EXCESS</u>
4				<u>OVER</u>
5				<u>\$10,000,000</u>

6 (3) PROBATE FEES UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY
7 NOT BE ASSESSED ON THE VALUE OF THE PROBATE ESTATE THAT PASSES TO OR FOR
8 THE BENEFIT OF:

- 9 (I) THE SURVIVING SPOUSE OF THE DECEDENT; OR
- 10 (II) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER §
11 501(C)(3) OF THE INTERNAL REVENUE CODE OR TO WHICH TRANSFERS ARE
12 DEDUCTIBLE UNDER § 2055 OF THE INTERNAL REVENUE CODE.

13 [(3)] (4) Except as provided in paragraph [(4)] (5) of this subsection, for
14 purposes of determinations under paragraph (2) of this subsection, the value of a
15 probate estate is the amount, as reflected in the administration accounts filed in the
16 proceedings, that equals:

- 17 (i) The sum of:
- 18 1. The value of all inventories filed in the proceedings;
- 19 2. All principal and income receipts; and
- 20 3. All increases realized on a disposition, other than a
21 distribution to beneficiaries, of any probate asset; less

- 22 (ii) THE SUM OF:
- 23 1. All decreases realized on a disposition, other than a
24 distribution to beneficiaries, of any probate asset; AND
- 25 2. THE VALUE OF ALL DISTRIBUTIONS TO OR FOR THE
26 BENEFIT OF:

- 27 A. THE SURVIVING SPOUSE OF THE DECEDENT; OR
- 28 B. AN ORGANIZATION THAT IS EXEMPT FROM TAXATION
29 UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE OR TO WHICH TRANSFERS ARE
30 DEDUCTIBLE UNDER § 2055 OF THE INTERNAL REVENUE CODE.

31 [(4)] (5) If an estate proceeds through modified administration, for the
32 purpose of determining the appropriate fee under paragraph (2) of this subsection, the
33 value of an estate is the gross value of the probate assets reported on the final report
34 under modified administration LESS THE VALUE OF ALL DISTRIBUTIONS TO OR FOR
35 THE BENEFIT OF:

1 (I) THE SURVIVING SPOUSE OF THE DECEDENT; OR

2 (II) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER §
 3 501(C)(3) OF THE INTERNAL REVENUE CODE OR TO WHICH TRANSFERS ARE
 4 DEDUCTIBLE UNDER § 2055 OF THE INTERNAL REVENUE CODE.

5 [(5)] (6) (i) Except as provided in subparagraphs (ii) and (iii) of this
 6 paragraph, the register shall assess and collect the probate fee when the first
 7 administration account is filed.

8 (ii) If there are any additions to the value of a probate estate, as
 9 reflected in any subsequent administration account, the register shall:

10 1. Assess an additional fee in an amount equal to the excess
 11 of:

12 A. The fee as determined under paragraph (2) of this
 13 subsection based on the value of the probate estate as reflected in the currently filed
 14 administration account; over

15 B. The fee as determined under paragraph (2) of this
 16 subsection based on the value of the probate estate as reflected in the most recent
 17 previously filed administration account; and

18 2. Collect the additional fee when the subsequent
 19 administration account is filed.

20 (iii) If an estate proceeds through modified administration, the
 21 register shall assess and collect the probate fee when the personal representative files
 22 the final report under modified administration.

23 2-207.

24 (a) (1) Every register shall return annually to the Comptroller a full and
 25 accurate account of the fees and receipts of his office and of the expenses incident to
 26 the proper conduct of his office.

27 (2) The account shall be verified and in the form and supported by the
 28 proof prescribed by the Comptroller.

29 (b) The excess of fees and receipts over expenses shall be delivered by the
 30 register to the Comptroller with each report.

31 (c) [The] SUBJECT TO § 2-205(E) OF THIS SUBTITLE, THE Comptroller shall
 32 deposit the fees received under this section in the General Fund of the State.

33 5-206.

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

1 In the Orphans' Court for

2 (or) _____, Maryland

3 Before the Register of Wills for

4 in the Estate of:

5 _____ Estate No. _____

6 For: Regular Estate -
7 Petition for probate,
8 estate value in
9 excess of \$20,000.
10 Complete and attach
11 Schedule - A.

Small Estate -
Petition for Administration,
estate value of \$20,000
or less. Complete and
attach Schedule - B.

Will of No
Estate -
Complete Items
2 and 5

12 The Petition of:

13 _____
14 Name Address

15 _____

16 _____
17 Name Address

18 _____

19 _____
20 Name Address

21 _____

22 Each of us states:

23 1. I am (a) at least 18 years of age and either a citizen of the United States or a
24 permanent resident alien spouse of the decedent or (b) a trust company or any
25 other corporation authorized by law to act as a personal representative.

26 2. The decedent, _____, was domiciled in _____ County, State
27 of _____ and died on the _____ day of _____ 19____, at _____.

28 3. If the decedent was not domiciled in this county at the time of death, this is the
29 proper office in which to file this petition because:
30 _____.

31 4. I am entitled to priority of appointment as personal representative of the

1 decedent's estate pursuant to § 5-104 of the Estates and Trusts Article, Annotated
2 Code of Maryland because:

3 _____
4 _____

5 and I am not excluded by § 5-105(b) of the Estates and Trusts Article, Annotated
6 Code of Maryland from serving as personal representative.

7 5. I have made a diligent search for the decedent's will and to the best of my
8 knowledge:

9 none exists; or
10 the will dated _____ (including codicils, if any, dated _____)
11 accompanying this petition is the last will and it came into my hands in the
12 following manner:

13 _____
14 _____

15 and the names and last known addresses of the witnesses are:

16 _____
17 _____
18 _____

19 6. Other proceedings, if any, regarding the decedent or the estate are as follows:

20 _____
21 _____

22 7. If any information required by paragraphs 2 through 6 has not been furnished,
23 the reason is:

24 _____
25 _____

26 8. If appointed, I accept the duties of the office of personal representative and
27 consent to personal jurisdiction in any action brought in this State against me as
28 personal representative or arising out of the duties of the office of personal
29 representative.

30 WHEREFORE, I request appointment as personal representative of the
31 decedent's estate and the following relief as indicated:

1 that the will and codicils, if any, be admitted to administrative probate;

2 that the will and codicils, if any, be admitted to judicial probate;

3 that the will and codicils, if any, be filed only;

4 that the following additional relief be granted: _____

5 _____

6 _____

7 I solemnly affirm under the penalties of perjury that the contents of the
8 foregoing petition are true to the best of my knowledge, information, and belief.

9 _____

10 Attorney's Signature

Petitioner

Date

11 _____

12 Address

Petitioner

Date

13 _____

14

Petitioner

Date

15 _____

16 Telephone Number

Telephone Number

17 In the Orphans' Court for

18

(or) _____, Maryland

19 Before the Register of Wills for

20 in the Estate of:

21 _____

Estate No. _____

22

Schedule - A

23 REGULAR ESTATE

24 Estimated Value of Estate and Unsecured Debts:

25 Personal property (approximate value)..... \$ _____

1 Real property (approximate value)..... \$ _____

2 [Value of Property subject to:

3 (a) Direct Inheritance Tax of _____% \$ _____

4 (b) Collateral Inheritance Tax of _____% \$ _____

5 (c) Collateral Inheritance Tax of _____% \$ _____]

6 Unsecured Debts (approximate amount) \$ _____

7 -----

8 (FOR REGISTER'S USE)

9 Safekeeping Wills _____ Custody of Wills _____

10 Bond Set \$ _____ Deputy _____

11 In the Orphans' Court for

12 (or) _____, Maryland

13 Before the Register of Wills for

14 in the Estate of:

15 _____ Estate No. _____

16 Schedule - B

17 SMALL ESTATE

18 Assets and Debts of the Decedent:

19 1. I have made a diligent search to discover all property and debts of the decedent
20 and set forth below are:

21 (a) A listing of all real and personal property owned by the decedent,
22 individually or as tenant in common, and of any other property
23 to which the decedent or estate would be entitled, including
24 descriptions, values, and how the values were determined:

25 _____
26 _____
27 _____

28 (b) A listing of all creditors and claimants and the amounts claimed,
29 including secured*, contingent and disputed claims:

30 _____

1 [(c)] (B) It is not necessary for the foreign personal representative to institute
 2 other proceedings before the register with respect to the assets subject to the
 3 jurisdiction of Maryland.

4 [(d)] (C) Nothing contained in this section shall relieve the foreign personal
 5 representative from the responsibility for paying the death taxes due the state.

6 5-707.

7 A final report under modified administration shall include:

8 (1) A statement representing the continued qualification for modified
 9 administration;

10 (2) An itemized schedule of the decedent's property and the basis of its
 11 valuation;

12 (3) An itemized schedule of liens, debts, taxes, and funeral expenses of
 13 the decedent and administration expenses of the estate; and

14 (4) Schedules setting forth distributive shares of the estate [and the
 15 applicable inheritance tax].

16 5-709.

17 An estate under modified administration shall close not later than 13 months
 18 from the date of appointment, if a verified final report under modified administration
 19 is filed and all probate fees and [inheritance] DEATH taxes are paid.

20 6-102.

21 (b) ~~{(1)}~~ Even if a personal representative is excused from giving bond, ~~{a~~
 22 bond shall be given in an amount which the register or the court considers sufficient
 23 to secure the payment of the debts ~~and Maryland inheritance taxes~~ payable by the
 24 personal representative. The bond shall be conditioned accordingly.

25 (2) Even if a bond is not required as a condition of the appointment of a
 26 personal representative, ~~the~~ court may require a bond during the administration
 27 upon the petition of an interested person or creditor and for good cause shown.

28 (h) (2) If the giving of a bond is ~~{excused or waived}~~ **REQUIRED BY THE**
 29 **COURT UPON THE PETITION OF A CREDITOR**, the required ~~{nominal}~~ bond shall be
 30 substantially in the following form:

31 The condition of the above obligation is such, that if shall, as personal
 32 representative of late of, deceased, pay the debts due by the deceased
 33 ~~{and the Maryland inheritance tax payable by the personal representative}~~, then the
 34 above obligation shall be void; it is otherwise to be in full force and effect.

1 12-103.

2 Except as otherwise provided in this title[, the administration on or after July 1,
3 1974 of estates of persons who died before July 1, 1974 shall be governed by those
4 statutes in effect before July 1, 1974, and the administration on or after January 1,
5 1970 of estates of persons who died before January 1, 1970 shall be governed by those
6 statutes in effect before January 1, 1970.]:

7 (1) THOSE STATUTES IN EFFECT BEFORE ~~JULY 1, 2000~~ JANUARY 1, 2002
8 SHALL GOVERN THE ADMINISTRATION ON AND AFTER ~~JULY 1, 2000~~ JANUARY 1, 2002
9 OF ESTATES OF PERSONS WHO DIED BEFORE ~~JULY 1, 2000~~ JANUARY 1, 2002;

10 (2) THOSE STATUTES IN EFFECT BEFORE JULY 1, 1974 SHALL GOVERN
11 THE ADMINISTRATION ON AND AFTER JULY 1, 1974 OF THE ESTATES OF PERSONS
12 WHO DIED BEFORE JULY 1, 1974; AND

13 (3) THOSE STATUTES IN EFFECT BEFORE JANUARY 1, 1970 SHALL
14 GOVERN THE ADMINISTRATION ON AND AFTER JANUARY 1, 1970 OF ESTATES OF
15 PERSONS WHO DIED BEFORE JANUARY 1, 1970.

16 14-201.

17 As used in this subtitle:

18 (2) "Inventory value" means the cost of property purchased by the
19 trustee and the market value of other property at the time it became subject to the
20 trust, decreased by the amount of any receipts, and increased by the amount of any
21 disbursements, of principal cash in connection with such item of principal. In the case
22 of assets subject to estate [or inheritance] tax the trustee may use as such market
23 value any value finally determined for the purposes of such tax;

24 15-309.

25 This subtitle does not affect any obligation of a corporation or transfer agent
26 with respect to estate, [inheritance, succession,] generation-skipping transfer, or
27 other taxes imposed by the laws of this State.

28 **Article - Tax - General**

29 7-104.

30 When THE COMPTROLLER OR a register OF WILLS claims that a decedent was
31 domiciled in this State at the time of death and the taxing authority of another state
32 makes a similar claim on behalf of that state, then, with the approval of the Attorney
33 General of this State, the Comptroller may make a written agreement with the other
34 taxing authority and with the personal representative to submit the controversy to
35 the decision of a board consisting of 1 or any other uneven number of arbitrators. The
36 personal representative may make the agreement. The parties to the agreement shall
37 select the arbitrator or arbitrators.

1 7-118.

2 When THE COMPTROLLER OR a register OF WILLS claims that a decedent was
3 domiciled in this State at the time of death and the taxing authority of another state
4 makes a similar claim on behalf of that state, then, with the approval of the Attorney
5 General of this State, the Comptroller may make a written agreement of compromise
6 with the other taxing authority and the personal representative that a certain sum
7 shall be accepted in full satisfaction of all death taxes imposed by this State, including
8 any interest or penalties to the date of filing the agreement. The agreement also shall
9 determine the amount to be accepted by the other state in full satisfaction of death
10 taxes. The personal representative may make the agreement.

11 7-304.

12 (a) In this section, "federal credit" means the maximum credit for death taxes
13 paid to any state that is allowable under § 2011 of the Internal Revenue Code against
14 the federal estate tax of a decedent as reduced by the proportion that the amount of
15 the estate not included in the Maryland estate bears to the amount of the entire
16 estate of the decedent.

17 (b) (1) Except as otherwise provided in this subsection, the Maryland estate
18 tax is the amount[, if any, by which] OF the federal credit [exceeds the total of death
19 taxes other than the Maryland estate tax that:

20 (i) are imposed by a state on property included in the Maryland
21 estate;

22 (ii) are allowable in computing the federal credit; and

23 (iii) except as provided in § 13-906 of this article, have actually been
24 paid out of the Maryland estate and received by the appropriate unit of this State].

25 (2) The Maryland estate tax may not exceed the amount whose timely
26 payment in accordance with federal law would reduce the amount of the federal
27 estate tax payable out of the Maryland estate had this subtitle not been enacted.

28 (c) The Maryland estate tax is not affected by a failure to take or preserve the
29 federal credit.

30 7-305.

31 (a) The person responsible for filing the federal estate tax return shall
32 complete, under oath, and file a Maryland estate tax return with the [register]
33 COMPTROLLER 9 months after the date of the death of a decedent.

34 (b) If, after a person files a Maryland estate tax return for an estate, the
35 federal estate tax on that estate is increased, the person shall file an amended
36 Maryland estate tax return with the [register] COMPTROLLER when the person pays
37 the additional federal tax.

1 (C) (1) NOTWITHSTANDING SUBSECTIONS (A) AND (B) OF THIS SECTION, AT
 2 THE OPTION OF THE PERSON RESPONSIBLE FOR FILING THE RETURN, A MARYLAND
 3 ESTATE TAX RETURN OR AN AMENDED MARYLAND ESTATE TAX RETURN MAY BE
 4 FILED WITH THE REGISTER INSTEAD OF THE COMPTROLLER.

5 (2) A REGISTER SHALL PROMPTLY FORWARD TO THE COMPTROLLER A
 6 MARYLAND ESTATE TAX RETURN OR AMENDED MARYLAND ESTATE TAX RETURN
 7 THAT HAS BEEN FILED WITH THE REGISTER.

8 7-306.

9 Except as provided in § 7-307 of this subtitle, the person responsible for filing
 10 the federal estate tax return shall pay the Maryland estate tax to the Comptroller
 11 when the Maryland estate tax return is filed [with the register].

12 ~~13-101.~~

13 (e) (2) "Tax collector" includes:
 14 (i) ~~the Comptroller; AND~~
 15 (ii) ~~the Department, with respect to:~~
 16 1. ~~the financial institution franchise tax; and~~
 17 2. ~~the public service company franchise tax; and~~
 18 (iii) ~~the registers of wills, with respect to the inheritance tax].~~

19 13-302.

20 (b) If a person fails to comply with a subpoena or fails to testify on any matter
 21 on which the person lawfully may be interrogated, on petition of a tax collector, a
 22 circuit court [or, if the subpoena is issued under authority of an orphans' court, the
 23 orphans' court] may pass an order directing compliance with the subpoena or
 24 compelling testimony.

25 13-510.

26 (a) Except as provided in subsection (b) of this section and subject to § 13-514
 27 of this subtitle, within 30 days after the date on which a notice is mailed, a person or
 28 governmental unit that is aggrieved by the action in the notice may appeal to the Tax
 29 Court from:

30 (1) a final assessment of tax, interest, or penalty under this article;

31 (2) a final determination on an application for revision or claim for
 32 refund under § 13-508 of this subtitle;

33 [(3) an inheritance tax determination by a register or by an orphans'
 34 court other than a circuit court sitting as an orphans' court;

1 (4) (3) a denial of an alternative payment schedule for [inheritance tax
2 or] Maryland estate tax;

3 [(5)] (4) a final determination on a claim for return of seized property
4 under § 13-839 or § 13-840 of this title; or

5 [(6)] (5) a disallowance of a claim for refund under § 13-904 of this title.
6 13-601.

7 (a) Except as otherwise provided in this section, if a person or governmental
8 unit fails to pay a tax imposed under this article on or before the date on which the
9 tax is due, the tax collector shall assess interest on the unpaid tax from the due date
10 to the date on which the tax is paid.

11 (b) Except as provided in [subsections (c)(2) and (d)] SUBSECTION (C) of this
12 section, the date on which the tax is due is determined without regard to any
13 extension of time to file a return.

14 [(c) Interest on unpaid inheritance tax begins:

15 (1) 30 days after the date on which the tax is determined;

16 (2) on the original due date, if there is no formal administration of the
17 estate and the tax is not paid within 30 days after the date on which the tax bill is
18 mailed; or

19 (3) 30 days after the original due date, if an alternative payment
20 schedule for inheritance tax is allowed.

21 (d)] (C) Interest on unpaid Maryland estate tax begins 9 months after the
22 date of the death of a decedent and applies to tax that is not paid by that date,
23 including:

24 (1) an increase in Maryland estate tax due to a change in federal estate
25 tax made after a payment of Maryland estate tax; and

26 (2) a payment made in accordance with an alternative payment
27 schedule.

28 [(e)] (D) Interest on unpaid Maryland generation-skipping transfer tax
29 begins on the date the Maryland generation-skipping transfer tax return is due and
30 applies to tax that is not paid by that date, including an increase in Maryland
31 generation-skipping transfer tax due to a change in federal generation-skipping
32 transfer tax made after a payment of Maryland generation-skipping transfer tax.

33 [(f)] (E) An overpayment of sales and use tax stops the accrual of interest on
34 a sales and use tax deficiency to the extent of the overpayment as of the date the
35 overpayment is made.

1 13-603.

2 (a) Except as otherwise provided in this section, if a claim for refund under §
3 13-901(a)(1) or (2) or (d)[(1)(i) or (2)] of this title is approved, the tax collector shall
4 pay interest on the refund from the 45th day after the claim is filed in the manner
5 required in Subtitle 9 of this title to the date on which the refund is paid.

6 (b) A tax collector may not pay interest on a refund if the claim for refund is:

7 (1) made under any provision other than § 13-901(a)(1) or (2) or (d)[(1)(i)
8 or (2)] of this title;

9 (2) based on:

10 (i) an error or mistake of the claimant not attributable to the State
11 or a unit of the State government;

12 (ii) withholding excess income tax; OR

13 (iii) an overpayment of estimated financial institution franchise tax
14 or estimated income tax; [or

15 (iv) an overpayment of Maryland estate tax based on an inheritance
16 tax payment made after payment of Maryland estate tax;] or

17 (3) made for Maryland estate tax or Maryland generation-skipping
18 transfer tax more than 1 year after the event on which the claim is based.

19 13-701.

20 (a) Except as otherwise provided in this subtitle, if a person or governmental
21 unit fails to pay a tax when due under this article, the tax collector shall assess a
22 penalty not exceeding 10% of the unpaid tax.

23 (b) (1) If a person fails to pay financial institution franchise tax, income tax,
24 or tobacco tax when required under this article, the tax collector shall assess a
25 penalty not exceeding 25% of the unpaid tax.

26 (2) If a person fails to file a motor carrier tax return or motor fuel tax
27 return when required under this article, the Comptroller shall assess a penalty not
28 exceeding \$25.

29 [(c) The penalty under subsection (a) of this section may be assessed for unpaid
30 inheritance tax at or after the time allowed for the assessment of interest under §
31 13-601(c) of this title.]

32 13-805.

33 (a) Unpaid tax, interest, and penalties constitute a lien, in favor of the State,
34 extending to all property and rights to property belonging to:

1 (1) the person required to pay the tax; or

2 (2) the fiduciary estate on which the tax is imposed.

3 [(b) Unpaid inheritance tax, interest, and penalties constitute a lien, in favor of
4 the State, extending to:

5 (1) the assets of a small business for which an alternative payment
6 schedule was granted under § 7-218 of this article; and

7 (2) any other property on which inheritance tax is due.

8 (c)] (B) Unpaid Maryland estate tax and interest constitute a lien, in favor of
9 the State, extending to the estate that is subject to the Maryland estate tax.

10 [(d)] (C) Unpaid Maryland generation-skipping transfer tax and interest
11 constitute a lien, in favor of the State, extending to any property included in the
12 generation-skipping transfer for which the Maryland generation-skipping transfer
13 tax is due.

14 13-806.

15 [(a)] Unless another date is specified by law [and except for a lien under
16 subsection (b) of this section], a lien arises on the date of notice that the tax is due
17 and continues to the date on which the lien is:

18 (1) satisfied; or

19 (2) released by the tax collector because the lien is:

20 (i) unenforceable by reason of lapse of time; or

21 (ii) uncollectible.

22 [(b) (1) Except as otherwise provided in this subsection, a lien for unpaid
23 inheritance tax:

24 (i) arises on the date of distribution; and

25 (ii) continues for 4 years.

26 (2) If the property is subject to a special valuation under § 7-211 of this
27 article, a lien:

28 (i) arises on the date on which the interest in the property vests in
29 possession; and

30 (ii) continues for 4 years.

1 (3) If the unpaid inheritance tax is attributable to the disqualification of
 2 property that was qualified for special valuation or exemption under § 7-211 of this
 3 article, the lien:

4 (i) arises on the date on which the decedent died; and

5 (ii) continues for 20 years.]

6 13-901.

7 (d) A claim for refund of Maryland estate tax or Maryland
 8 generation-skipping transfer tax may be filed by a claimant required to pay the tax if:

9 (1) the Maryland estate tax is decreased as a result of[:

10 (i)] a decrease in the federal estate tax on the estate[; or

11 (ii) an inheritance tax payment made after a Maryland estate tax
 12 payment]; or

13 (2) the Maryland generation-skipping transfer tax is decreased as a
 14 result of a decrease in the federal generation-skipping transfer tax on the
 15 generation-skipping transfer.

16 13-1104.

17 (d) A claim for refund of Maryland estate tax[, inheritance tax,] or Maryland
 18 generation-skipping transfer tax may not be filed after 3 years from the date of the
 19 event that caused the refund.

20 SECTION 4-5. AND BE IT FURTHER ENACTED, That Section(s) 7-228 and
 21 7-231(e) of Article - Tax - General of the Annotated Code of Maryland be repealed
 22 and reenacted, with amendments, and transferred to be Section(s) 2-213 of Article -
 23 Estates and Trusts of the Annotated Code of Maryland, to read as follows:

24 **Article - Estates and Trusts**

25 [7-231.] 2-213.

26 [(e)] (A) For an estate of a nonresident decedent, the register shall cooperate
 27 with the domiciliary taxing authorities and give them any information requested
 28 about the estate.

29 [7-228.]

30 [(a)] (B) For an estate of a nonresident decedent, if the death taxes and
 31 interest and penalties on the death taxes due to a domiciliary state or a political
 32 subdivision of a domiciliary state are not paid or secured, the unit responsible for
 33 collecting the death taxes in the domiciliary state or subdivision may petition and

1 receive from the court in this State that granted letters of administration for the
2 estate an order for:

3 (1) [an] AN accounting of the property in this State; and

4 (2) [payment] PAYMENT of the death taxes and interest and penalties
5 on the death taxes.

6 [(b)] (C) The personal representative of an estate of a nonresident decedent is
7 not entitled to approval for a final accounting or discharge until the personal
8 representative files with the court that granted letters of administration for the
9 estate:

10 (1) [proof] PROOF that all death taxes and the interest and penalties on
11 the death taxes have been paid to or secured for the domiciliary taxing authorities; or

12 (2) [the] THE consent of the domiciliary taxing authorities to the final
13 accounting or discharge.

14 [(c)] (D) This section [and § 7-231(e) of this subtitle] shall be construed
15 liberally to ensure that the domiciliary state of a nonresident decedent receives the
16 death taxes and the interest and penalty on the death taxes due to that state from the
17 estate of the decedent.

18 SECTION ~~5-~~ 6. AND BE IT FURTHER ENACTED, That the Department of
19 Budget and Management, the Comptroller of the Treasury, and the Chief Judge of the
20 Court of Appeals, in cooperation with representatives of the registers of wills, jointly
21 shall conduct a study and report to the ~~budget committees~~ House Appropriations
22 Committee, House Committee on Ways and Means, and Senate Budget and Taxation
23 Committee of the General Assembly on or before December 31, ~~2000~~ 2001, in
24 accordance with § 2-1246 of the State Government Article, ~~on the appropriate~~
25 ~~long range mechanisms for funding and budgetary control and oversight of the~~
26 ~~registers of wills offices in light of the repeal of the inheritance tax as provided under~~
27 ~~this Act. The report shall include recommendations as to whether the budgets of the~~
28 ~~registers of wills offices should be included in the budget for the Executive Branch or~~
29 ~~the Judicial Branch of government and the appropriate level of budgetary oversight~~
30 ~~and shall include drafts of any legislative changes necessary to implement the~~
31 ~~recommendations as to:~~

32 (1) whether the probate fees to be charged by the registers of wills, as
33 increased under this Act, will be appropriate and sufficient to fund the registers of
34 wills offices in light of the repeal of the inheritance tax, including whether the fees
35 charged by the registers of wills would more appropriately be imposed based on the
36 value of all property passing from a decedent rather than based on the probate estate
37 of the decedent; and

38 (2) whether the current level of budgetary oversight of the registers of
39 wills offices is appropriate.

1 SECTION 7. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
2 take effect January 1, 2001 and shall be applicable to persons dying on or after
3 January 1, 2001.

4 ~~SECTION 6. 8.~~ AND BE IT FURTHER ENACTED, That, except as otherwise
5 provided in this section, Sections 2 through 5 of this Act shall be applicable to persons
6 dying on or after ~~July 1, 2000~~ January 1, 2002. Those statutes in effect on ~~June 30,~~
7 ~~2000~~ December 31, 2001 shall govern the administration, on and after ~~July 1, 2000~~
8 January 1, 2002, of estates of persons who died before ~~July 1, 2000~~ January 1, 2002,
9 and shall govern the imposition, rate, administration, collection, enforcement, and
10 distribution, on and after ~~July 1, 2000~~ January 1, 2002, of the inheritance tax on
11 property passing from persons who died before ~~July 1, 2000~~ January 1, 2002. The
12 repeal of §§ ~~2-206(n) and 2-207~~ § 2-206(n) of the Estates and Trusts Article under
13 Section ~~4~~ 2 of this Act and the changes to § 2-205 of the Estates and Trusts Article
14 under Section ~~3~~ 4 of this Act shall be applicable to fiscal years beginning on or after
15 July 1, ~~2001~~ 2002. On and after July 1, ~~2001~~ 2002, the registers of wills shall deposit
16 any inheritance tax revenue collected to the General Fund of the State.

17 ~~SECTION 7. 9.~~ AND BE IT FURTHER ENACTED, That, ~~except as provided~~
18 in Sections 7 and 8 of this Act, this Act shall take effect July 1, 2000.