

HOUSE BILL 130

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Q7
HB 291/99 - W&M

2000 Regular Session
0lr0668

By: **Delegate Cryor**

Introduced and read first time: January 18, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Inheritance Tax - Tax Rate - Family 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 certain family members of the decedent or certain
5 corporations; providing for the application of this Act; and generally relating to
6 the inheritance tax rate for property that passes from a decedent to or for the
7 use of certain family members of the decedent or certain corporations.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - General
10 Section 7-204
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 1999 Supplement)

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

15 **Article - Tax - General**

16 7-204.

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

18 (b) Except as provided in subsections (c) and (e) of this section, the inheritance
19 tax rate is 10% of the clear value of the property that passes from a decedent.

20 (c) The inheritance tax rate is [0.9%] 0.5% of the clear value of:

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

22 (i) a grandparent of the decedent;

23 (ii) a parent of the decedent;

24 (iii) a spouse of the decedent;

- 1 (iv) a child or other lineal descendant of the decedent;
- 2 (v) a stepparent or stepchild of the decedent; or
- 3 (vi) a corporation if all of its stockholders consist of the surviving
4 spouse, parents, stepparents, stepchildren, and lineal descendants of the decedent,
5 and spouses of the lineal descendants; and

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

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

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

13 (1) 8% of the clear value of the property for decedents dying on or after
14 July 1, 1999 but before July 1, 2000;

15 (2) 6% of the clear value of the property for decedents dying on or after
16 July 1, 2000 but before July 1, 2001; and

17 (3) 5% of the clear value of the property for decedents dying on or after
18 July 1, 2001.]

19 (E) THE INHERITANCE TAX RATE IS 5% OF THE CLEAR VALUE OF THE
20 PROPERTY THAT PASSES FROM A DECEDENT TO OR FOR THE USE OF THE
21 DECEDENT'S SIBLINGS.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2000 and shall be applicable to decedents dying on or after July 1, 2000.