

SENATE BILL 160

Unofficial Copy  
Q7  
HB 982/99 - W&M

2000 Regular Session  
0lr0445  
CF 0lr0479

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By: **Senators Bromwell, Munson, Green, Lawlah, Roesser, Astle, Baker, Blount, Colburn, Collins, Conway, Currie, DeGrange, Della, Dorman, Dyson, Exum, Ferguson, Forehand, Frosh, Haines, Harris, Hogan, Hollinger, Hooper, Hughes, Jacobs, Jimeno, Kasemeyer, Kelley, Madden, McCabe, McFadden, Middleton, Mitchell, Mooney, Neall, Sfikas, Stoltzfus, Stone, and Teitelbaum**

Introduced and read first time: January 20, 2000  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Inheritance Tax - Repeal**

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

14 BY repealing  
15 Article - Estates and Trusts  
16 Section 2-206(n), 2-207, 5-505, and 7-307  
17 Annotated Code of Maryland  
18 (1991 Replacement Volume and 1999 Supplement)

19 BY repealing  
20 Article - Tax - General  
21 Section 1-101(j); 2-701 and 2-702 and the subtitle "Subtitle 7. Inheritance Tax  
22 Revenue Distribution"; 7-201 through 7-225, inclusive, 7-231(a) through  
23 (d), inclusive, 7-232 through 7-234, inclusive, and the subtitle "Subtitle 2.  
24 Inheritance Tax"; 13-511; 13-845 and the part "Part VII. Sale of Estate  
25 Property"; and 13-906  
26 Annotated Code of Maryland  
27 (1997 Replacement Volume and 1999 Supplement)

1 BY repealing and reenacting, with amendments,  
2 Article - Business Regulation  
3 Section 5-503(b) and (c)  
4 Annotated Code of Maryland  
5 (1998 Replacement Volume and 1999 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article - Estates and Trusts  
8 Section 2-205, 5-206, 5-504, 5-707, 5-709, 6-102(b) and (h)(2), 12-103,  
9 14-201(2), and 15-309  
10 Annotated Code of Maryland  
11 (1991 Replacement Volume and 1999 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article - Tax - General  
14 Section 7-104, 7-118, 7-304, 7-305, 7-306, 13-101(c)(2), 13-302(b), 13-510(a),  
15 13-601, 13-603, 13-701, 13-805, 13-806, 13-901(d), and 13-1104(d)  
16 Annotated Code of Maryland  
17 (1997 Replacement Volume and 1999 Supplement)

18 BY repealing and reenacting, with amendments, and transferring  
19 Article - Tax - General  
20 Section 7-228 and 7-231(e)  
21 Annotated Code of Maryland  
22 (1997 Replacement Volume and 1999 Supplement)

23 to be  
24 Article - Estates and Trusts  
25 Section 2-213  
26 Annotated Code of Maryland  
27 (1991 Replacement Volume and 1999 Supplement)

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
29 MARYLAND, That Section(s) 2-206(n), 2-207, 5-505, and 7-307 of Article - Estates  
30 and Trusts of the Annotated Code of Maryland be repealed.

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

37 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
38 read as follows:

1

**Article - Business Regulation**

2 5-503.

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

- 5 (1) considered property;
- 6 (2) subject to attachment or execution for debt;
- 7 (3) subject to the insolvency laws of the State; OR
- 8 (4) to be inventoried in the estate of the owner[]; or
- 9 (5) subject to inheritance taxes].

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

- 12 (1) considered personal property;
- 13 (2) subject to attachment or execution for debt;
- 14 (3) subject to the insolvency laws of the State; AND
- 15 (4) to be inventoried in the estate of the owner[]; and
- 16 (5) subject to inheritance taxes].

17

**Article - Estates and Trusts**

18 2-205.

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

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

25 (b) (1) Each register is entitled to receive an annual salary of not less than  
26 \$6,000 and not more than \$75,000, to be determined in each instance by the Board of  
27 Public Works.

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

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

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

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

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

7       [(d)     (1)     The salaries of the registers shall be paid semimonthly from the fees  
8 and receipts of the office, after deducting the expenses of the office.

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

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

16                   (2)     In the event that tax collections for the fiscal year are insufficient,  
17 the Comptroller shall make up the deficit from excess fees remitted from all other  
18 registers.]

19       (D)     (1)     THE SALARIES OF THE REGISTERS OF WILLS AND THE COSTS AND  
20 EXPENSES OF THE OFFICES OF THE REGISTERS OF WILLS SHALL BE FUNDED  
21 THROUGH THE STATE BUDGET.

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

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

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

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

31                               (I)     AN APPROPRIATION IN THE ANNUAL STATE BUDGET APPROVED  
32 BY THE GENERAL ASSEMBLY; OR

33                               (II)    THE BUDGET AMENDMENT PROCEDURE UNDER § 7-209 OF THE  
34 STATE FINANCE AND PROCUREMENT ARTICLE.

1 5-206.

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

4 In the Orphans' Court for

5 (or) \_\_\_\_\_, Maryland

6 Before the Register of Wills for

7 in the Estate of:

8 \_\_\_\_\_ Estate No. \_\_\_\_\_

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

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

20  Will of No  
21 Estate -  
22 Complete Items  
23 2 and 5

24 The Petition of:

25 \_\_\_\_\_

26 Name Address

27 \tab \_\_\_\_\_

28 \_\_\_\_\_

29 Name Address

30 \tab \_\_\_\_\_

31 \_\_\_\_\_

32 Name Address

34 Each of us states:

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

38 2. The decedent, \_\_\_\_\_, was domiciled in \_\_\_\_\_ County, State  
39 of \_\_\_\_\_ and died on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, at \_\_\_\_\_.

1 3. If the decedent was not domiciled in this county at the time of death, this is the  
2 proper office in which to file this petition because:  
3 \_\_\_\_\_.

4 4. I am entitled to priority of appointment as personal representative of the  
5 decedent's estate pursuant to § 5-104 of the Estates and Trusts Article, Annotated  
6 Code of Maryland because:  
7 \_\_\_\_\_

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

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

12  none exists; or

13  the will dated \_\_\_\_\_ (including codicils, if any, dated \_\_\_\_\_)  
14 accompanying this petition is the last will and it came into my hands in the  
15 following manner:

16 \_\_\_\_\_

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

18 \_\_\_\_\_  
19 \_\_\_\_\_  
20 \_\_\_\_\_

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

22 \_\_\_\_\_

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

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

1 personal representative or arising out of the duties of the office of personal  
2 representative.

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

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

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

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

8  that the following additional relief be granted: \_\_\_\_\_

9 \_\_\_\_\_

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

12 \_\_\_\_\_

13 Attorney's Signature                      Petitioner      Date

14 \_\_\_\_\_

15 Address                                      Petitioner      Date

16 \_\_\_\_\_

17 \tab    Petitioner      Date

18 \_\_\_\_\_

19 Telephone Number                      Telephone Number

20 In the Orphans' Court for

21 (or) \_\_\_\_\_, Maryland

22 Before the Register of Wills for

23 in the Estate of:

24 \_\_\_\_\_ Estate No. \_\_\_\_\_



Schedule - A

1

2 REGULAR ESTATE

3 Estimated Value of Estate and Unsecured Debts:

4 Personal property (approximate value)..... \$ \_\_\_\_\_

5 Real property (approximate value)..... \$ \_\_\_\_\_

6 [Value of Property subject to:

7 (a) Direct Inheritance Tax of \_\_\_\_% ..... \$ \_\_\_\_\_

8 (b) Collateral Inheritance Tax of \_\_\_\_% ..... \$ \_\_\_\_\_

9 (c) Collateral Inheritance Tax of \_\_\_\_%..... \$ \_\_\_\_\_

10 .....]

11 Unsecured Debts (approximate amount) ..... \$ \_\_\_\_\_

12 -----

13

(FOR REGISTER'S USE)

14 Safekeeping Wills \_\_\_\_\_ Custody of Wills \_\_\_\_\_

15 Bond Set \$ \_\_\_\_\_ Deputy \_\_\_\_\_

16 In the Orphans' Court for

17 (or) \_\_\_\_\_, Maryland

18 Before the Register of Wills for

19 in the Estate of:

20 \_\_\_\_\_ Estate No. \_\_\_\_\_

21

Schedule - B

22 SMALL ESTATE

23 Assets and Debts of the Decedent:

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

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

1 \_\_\_\_\_

2 \_\_\_\_\_

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

5 \_\_\_\_\_

6 \_\_\_\_\_

7 2. Allowable funeral expenses are \$ \_\_\_\_\_; statutory family  
8 allowances are \$ \_\_\_\_\_; and expenses of administration are \$ \_\_\_\_\_.

9 3. Attached is a List of Interested Persons.

10 \*Note: § 5-601(c) of the Estates and Trusts Article, Annotated Code of Maryland "For  
11 the purpose of this subtitle - Value is determined by fair market value of property less  
12 debts of record secured by the property as of the date of death, to the extent that  
13 insurance benefits are not payable to the lien holder or secured party for the secured  
14 debt."

15 I solemnly affirm under the penalties of perjury that the contents of the  
16 foregoing schedule are true to the best of my knowledge, information, and belief.

17 \_\_\_\_\_

18 Attorney's Signature                      Petitioner              Date

19 \_\_\_\_\_

20 Address                                      Petitioner              Date

21 \_\_\_\_\_

22 Telephone Number                      Telephone Number

23 5-504.

24 (a) A foreign personal representative administering an estate which has  
25 property located in Maryland subject to THE JURISDICTION OF Maryland  
26 [inheritance taxes] shall file with the register of the county in which the foreign  
27 personal representative believes the largest part in value of the property is located, a  
28 copy of his appointment as personal representative and of the will of the decedent, if  
29 there is a will, authenticated pursuant to 28 U.S.C.A. § 1738, together with a verified  
30 [application which shall describe] STATEMENT THAT:

31 (1) DESCRIBES all the property owned by the estate in Maryland and  
32 known to the foreign personal representative[, and set];

33 (2) SETS forth the market value and the basis upon which that value has  
34 been determined[. The register shall proceed to fix the amount of the inheritance tax  
35 due and may require other evidence of value, or make an independent investigation,

1 as he considers appropriate. The determination of the register is final, subject to  
2 appeal to the Maryland Tax Court.

3 (b) Upon payment of the tax, the register shall issue to the foreign personal  
4 representative a receipt for it.; AND

5 (3) SETS FORTH THE PERSONS TO WHOM THE PROPERTY IS TO PASS AS A  
6 RESULT OF THE DECEDENT'S DEATH.

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

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

12 5-707.

13 A final report under modified administration shall include:

14 (1) A statement representing the continued qualification for modified  
15 administration;

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

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

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

22 5-709.

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

26 6-102.

27 (b) [(1)] Even if a personal representative is excused from giving bond, [a  
28 bond shall be given in an amount which the register or the court considers sufficient  
29 to secure the payment of the debts and Maryland inheritance taxes payable by the  
30 personal representative. The bond shall be conditioned accordingly.

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

1 (h) (2) If the giving of a bond is [excused or waived] REQUIRED BY THE  
2 COURT UPON THE PETITION OF A CREDITOR, the required [nominal] bond shall be  
3 substantially in the following form:

4 The condition of the above obligation is such, that if ..... shall, as personal  
5 representative of ..... late of ....., deceased, pay the debts due by the deceased  
6 [and the Maryland inheritance tax payable by the personal representative], then the  
7 above obligation shall be void; it is otherwise to be in full force and effect.

8 12-103.

9 Except as otherwise provided in this title[, the administration on or after July 1,  
10 1974 of estates of persons who died before July 1, 1974 shall be governed by those  
11 statutes in effect before July 1, 1974, and the administration on or after January 1,  
12 1970 of estates of persons who died before January 1, 1970 shall be governed by those  
13 statutes in effect before January 1, 1970.]:

14 (1) THOSE STATUTES IN EFFECT BEFORE JULY 1, 2000 SHALL GOVERN  
15 THE ADMINISTRATION ON AND AFTER JULY 1, 2000 OF ESTATES OF PERSONS WHO  
16 DIED BEFORE JULY 1, 2000;

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

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

23 14-201.

24 As used in this subtitle:

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

31 15-309.

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

1

**Article - Tax - General**

2 7-104.

3 When THE COMPTROLLER OR a register OF WILLS claims that a decedent was  
4 domiciled in this State at the time of death and the taxing authority of another state  
5 makes a similar claim on behalf of that state, then, with the approval of the Attorney  
6 General of this State, the Comptroller may make a written agreement with the other  
7 taxing authority and with the personal representative to submit the controversy to  
8 the decision of a board consisting of 1 or any other uneven number of arbitrators. The  
9 personal representative may make the agreement. The parties to the agreement shall  
10 select the arbitrator or arbitrators.

11 7-118.

12 When THE COMPTROLLER OR a register OF WILLS claims that a decedent was  
13 domiciled in this State at the time of death and the taxing authority of another state  
14 makes a similar claim on behalf of that state, then, with the approval of the Attorney  
15 General of this State, the Comptroller may make a written agreement of compromise  
16 with the other taxing authority and the personal representative that a certain sum  
17 shall be accepted in full satisfaction of all death taxes imposed by this State, including  
18 any interest or penalties to the date of filing the agreement. The agreement also shall  
19 determine the amount to be accepted by the other state in full satisfaction of death  
20 taxes. The personal representative may make the agreement.

21 7-304.

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

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

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

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

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

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

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

3 7-305.

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

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

11 7-306.

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

15 13-101.

16 (c) (2) "Tax collector" includes:

17 (i) the Comptroller; AND

18 (ii) the Department, with respect to:

19 1. the financial institution franchise tax; and

20 2. the public service company franchise tax[; and

21 (iii) the registers of wills, with respect to the inheritance tax].

22 13-302.

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

28 13-510.

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

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

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

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

5 (4)] (3) a denial of an alternative payment schedule for [inheritance tax  
6 or] Maryland estate tax;

7 [(5)] (4) a final determination on a claim for return of seized property  
8 under § 13-839 or § 13-840 of this title; or

9 [(6)] (5) a disallowance of a claim for refund under § 13-904 of this title.  
10 13-601.

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

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

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

19 (1) 30 days after the date on which the tax is determined;

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

23 (3) 30 days after the original due date, if an alternative payment  
24 schedule for inheritance tax is allowed.

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

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

30 (2) a payment made in accordance with an alternative payment  
31 schedule.

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

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

4 13-603.

5     (a)     Except as otherwise provided in this section, if a claim for refund under §  
6 13-901(a)(1) or (2) or (d)[(1)(i) or (2)] of this title is approved, the tax collector shall  
7 pay interest on the refund from the 45th day after the claim is filed in the manner  
8 required in Subtitle 9 of this title to the date on which the refund is paid.

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

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

12           (2)     based on:

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

15                 (ii)    withholding excess income tax; OR

16                 (iii)  an overpayment of estimated financial institution franchise tax  
17 or estimated income tax; [or

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

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

22 13-701.

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

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

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

32     [(c)     The penalty under subsection (a) of this section may be assessed for unpaid  
33 inheritance tax at or after the time allowed for the assessment of interest under §  
34 13-601(c) of this title.]



1 13-805.

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

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

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

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

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

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

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

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

17 13-806.

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

21 (1) satisfied; or

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

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

24 (ii) uncollectible.

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

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

28 (ii) continues for 4 years.

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

31 (i) arises on the date on which the interest in the property vests in  
32 possession; and

1 (ii) continues for 4 years.

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

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

6 (ii) continues for 20 years.]

7 13-901.

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

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

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

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

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

17 13-1104.

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

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

25 **Article - Estates and Trusts**

26 [7-231.] 2-213.

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

30 [7-228.]

31 [(a)] (B) For an estate of a nonresident decedent, if the death taxes and  
32 interest and penalties on the death taxes due to a domiciliary state or a political  
33 subdivision of a domiciliary state are not paid or secured, the unit responsible for  
34 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. 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 of the General Assembly on  
22 or before December 31, 2000, in accordance with § 2-1246 of the State Government  
23 Article, on the appropriate long-range mechanisms for funding and budgetary control  
24 and oversight of the registers of wills offices in light of the repeal of the inheritance  
25 tax as provided under this Act. The report shall include recommendations as to  
26 whether the budgets of the registers of wills offices should be included in the budget  
27 for the Executive Branch or the Judicial Branch of government and the appropriate  
28 level of budgetary oversight and shall include drafts of any legislative changes  
29 necessary to implement the recommendations.

30 SECTION 6. AND BE IT FURTHER ENACTED, That, except as otherwise  
31 provided in this section, this Act shall be applicable to persons dying on or after July  
32 1, 2000. Those statutes in effect on June 30, 2000 shall govern the administration, on  
33 and after July 1, 2000, of estates of persons who died before July 1, 2000, and shall  
34 govern the imposition, rate, administration, collection, enforcement, and distribution,  
35 on and after July 1, 2000, of the inheritance tax on property passing from persons  
36 who died before July 1, 2000. The repeal of §§ 2-206(n) and 2-207 of the Estates and  
37 Trusts Article under Section 1 of this Act and the changes to § 2-205 of the Estates  
38 and Trusts Article under Section 3 of this Act shall be applicable to fiscal years  
39 beginning on or after July 1, 2001. On and after July 1, 2001, the registers of wills  
40 shall deposit any inheritance tax revenue collected to the General Fund of the State.

1 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 2000.