
By: **Delegates Hixson, Gordon, Healey, Howard, and Marriott**
Introduced and read first time: January 28, 2004
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Estate Tax - Deduction for State Death Taxes**

3 FOR the purpose of providing that the Maryland estate tax shall be determined
4 without regard to a certain deduction for State death taxes allowed for purposes
5 of the federal estate tax; providing for the application of this Act; and generally
6 relating to the Maryland estate tax.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 7-309
10 Annotated Code of Maryland
11 (1997 Replacement Volume and 2003 Supplement)

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

14 **Article - Tax - General**

15 7-309.

16 (a) Notwithstanding an Act of Congress that repeals or reduces the federal
17 credit under § 2011 of the Internal Revenue Code, the provisions of this subtitle in
18 effect before the passage of the Act of Congress shall apply with respect to a decedent
19 who dies after the effective date of the Act of Congress so as to continue the Maryland
20 estate tax in force without reduction in the same manner as if the federal credit had
21 not been repealed or reduced.

22 (b) (1) Except as provided in [paragraph (2)] PARAGRAPHS (2) AND (3) of this
23 subsection, after the effective date of an Act of Congress described in subsection (a) of
24 this section, the Maryland estate tax shall be determined using:

25 (i) the federal credit allowable by § 2011 of the Internal Revenue
26 Code as in effect before the reduction or repeal of the federal credit pursuant to the
27 Act of Congress; and

1 (ii) other provisions of federal estate tax law, including the
2 applicable unified credit allowed against the federal estate tax, as in effect on the date
3 of the decedent's death.

4 (2) [If] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,
5 IF the federal estate tax is not in effect on the date of the decedent's death, the
6 Maryland estate tax shall be determined using:

7 (i) the federal credit allowable by § 2011 of the Internal Revenue
8 Code as in effect before the reduction or repeal of the federal credit pursuant to the
9 Act of Congress; and

10 (ii) other provisions of federal estate tax law, including the
11 applicable unified credit allowed against the federal estate tax, as in effect on the date
12 immediately preceding the effective date of the repeal of the federal estate tax.

13 (3) THE MARYLAND ESTATE TAX SHALL BE DETERMINED WITHOUT
14 REGARD TO ANY DEDUCTION FOR STATE DEATH TAXES ALLOWED UNDER § 2058 OF
15 THE INTERNAL REVENUE CODE.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2004, and shall be applicable to decedents dying after December 31, 2004.