
By: **Senators Hafer and Harris**

Introduced and read first time: February 23, 2004

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Inheritance Tax - Former Stepchildren and Former Stepparents of a**
3 **Decedent**

4 FOR the purpose of including former stepchildren and former stepparents within an
5 exemption under the inheritance tax for certain property that passes from a
6 decedent to or for the use of certain relatives of a decedent or to or for the use of
7 a corporation owned by certain relatives of a decedent; providing for the
8 application of this Act; and generally relating to the inheritance tax treatment of
9 certain property passing from a decedent to or for the use of former stepchildren
10 or former stepparents of a decedent.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - General
13 Section 7-203(b)
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 2003 Supplement)

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

18 **Article - Tax - General**

19 7-203.

20 (b) The inheritance tax does not apply to the receipt of property that passes
21 from a decedent to or for the use of:

- 22 (1) a grandparent of the decedent;
- 23 (2) a parent of the decedent;
- 24 (3) a spouse of the decedent;
- 25 (4) a child or other lineal descendant of the decedent;
- 26 (5) a spouse of a child or other lineal descendant of the decedent;

1 (6) a stepparent [or], stepchild, FORMER STEPPARENT, OR FORMER
2 STEPCHILD of the decedent;

3 (7) a brother or sister of the decedent; or

4 (8) a corporation if all of its stockholders consist of the surviving spouse,
5 parents, stepparents, stepchildren, FORMER STEPPARENTS, FORMER STEPCHILDREN,
6 brothers, sisters, and lineal descendants of the decedent and spouses of the lineal
7 descendants.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 2004, and shall be applicable to all decedents dying on or after July 1, 2004.