
By: **Delegates Glassman, Aumann, Barkley, Cluster, Conroy, Cryor, Dumais, Elliott, Frank, Haddaway, Hogan, Impallaria, James, Jennings, Kach, Kohl, Krebs, Mayer, McComas, McConkey, McDonough, Rudolph, Shank, Shewell, Smigiel, Sossi, Stocksdale, Stull, and Weldon**

Introduced and read first time: January 23, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Estate Tax - Exclusion for Family Farms Subject to Agricultural**
 3 **Preservation Easements**

4 FOR the purpose of altering the determination of the Maryland estate tax under
 5 certain circumstances to exclude from the value of the gross estate the value of
 6 certain real property subject to certain agricultural preservation easements;
 7 providing for the application of this Act; and generally relating to the Maryland
 8 estate tax.

9 BY repealing and reenacting, with amendments,
 10 Article - Tax - General
 11 Section 7-309(b)(1) and (2)
 12 Annotated Code of Maryland
 13 (2004 Replacement Volume and 2005 Supplement)

14 BY adding to
 15 Article - Tax - General
 16 Section 7-309(c)
 17 Annotated Code of Maryland
 18 (2004 Replacement Volume and 2005 Supplement)

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

21 **Article - Tax - General**

22 7-309.

23 (b) (1) Except as provided in paragraphs (2) and (3) of this subsection AND
 24 SUBSECTION (C) OF THIS SECTION, after the effective date of an Act of Congress

1 described in subsection (a) of this section, the Maryland estate tax shall be
2 determined using:

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

6 (ii) other provisions of federal estate tax law as in effect on the date
7 of the decedent's death.

8 (2) Except as provided in paragraph (3) of this subsection AND
9 SUBSECTION (C) OF THIS SECTION, if the federal estate tax is not in effect on the date
10 of the decedent's death, the Maryland estate tax shall be determined using:

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

14 (ii) other provisions of federal estate tax law as in effect on the date
15 immediately preceding the effective date of the repeal of the federal estate tax.

16 (C) (1) IN THIS SUBSECTION, "CHILD" AND "PARENT" HAVE THE MEANINGS
17 STATED IN § 7-203(B) OF THIS TITLE.

18 (2) THE MARYLAND ESTATE TAX SHALL BE DETERMINED BY
19 EXCLUDING FROM THE VALUE OF THE GROSS ESTATE THE VALUE OF ANY REAL
20 PROPERTY THAT:

21 (I) IS SUBJECT TO A PERPETUAL AGRICULTURAL PRESERVATION
22 EASEMENT THAT HAS BEEN GRANTED TO:

23 1. THE MARYLAND AGRICULTURAL LAND PRESERVATION
24 FOUNDATION; OR

25 2. A LOCAL AGRICULTURAL LAND PRESERVATION PROGRAM
26 THAT HAS BEEN APPROVED BY THE MARYLAND AGRICULTURAL LAND
27 PRESERVATION FOUNDATION; AND

28 (II) PASSES FROM THE DECEDENT TO OR FOR THE USE OF:

29 1. A SPOUSE, PARENT, OR GRANDPARENT OF THE
30 DECEDENT;

31 2. A CHILD OF THE DECEDENT OR A LINEAL DESCENDANT
32 OF A CHILD OF THE DECEDENT;

33 3. A SPOUSE OF A CHILD OF THE DECEDENT OR A SPOUSE OF
34 A LINEAL DESCENDANT OF A CHILD OF THE DECEDENT; OR

35 4. A BROTHER OR SISTER OF THE DECEDENT.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2006, and shall be applicable to decedents dying after December 31, 2005.