

(PRE-FILED)

By: Senator Currie

Introduced and read first time: January 11, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Estate Tax**

3 FOR the purpose of altering a certain limit on the unified credit used for determining
4 the Maryland estate tax; providing a certain limitation on the amount of the
5 Maryland estate tax; providing for the application of this Act; defining a certain
6 term; and generally relating to the Maryland estate tax.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 7-309(b)(3)
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2005 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 (b) (3) (I) IN THIS PARAGRAPH, "APPLICABLE EXCLUSION AMOUNT"
17 MEANS THE APPLICABLE EXCLUSION AMOUNT WITHIN THE MEANING OF § 2010(C) OF
18 THE INTERNAL REVENUE CODE.

19 [(i)] (II) Notwithstanding any increase in the unified credit
20 allowed against the federal estate tax for decedents dying after 2003, the unified
21 credit used for determining the Maryland estate tax may not exceed the applicable
22 credit amount corresponding to an applicable exclusion amount of [\$1,000,000 within
23 the meaning of § 2010(c) of the Internal Revenue Code] \$2,000,000.

24 [(ii)] (III) The Maryland estate tax shall be determined without
25 regard to any deduction for State death taxes allowed under § 2058 of the Internal
26 Revenue Code.

27 (IV) UNLESS THE FEDERAL CREDIT ALLOWABLE BY § 2011 OF THE
28 INTERNAL REVENUE CODE IS IN EFFECT ON THE DATE OF THE DECEDENT'S DEATH,

1 THE MARYLAND ESTATE TAX MAY NOT EXCEED AN AMOUNT EQUAL TO 16% OF THE
2 AMOUNT BY WHICH THE DECEDENT'S ADJUSTED TAXABLE ESTATE, AS DEFINED IN §
3 2011(B)(3) OF THE INTERNAL REVENUE CODE, EXCEEDS THE LESSER OF \$2,000,000 OR
4 THE APPLICABLE EXCLUSION AMOUNT.

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