

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 371
Judiciary

(Delegate Aumann, *et al.*)

Estates and Trusts - Information Provided to Register of Wills - Payment of
Inheritance Tax

This bill provides that the personal representative of an estate, when advising the register of wills of the names and addresses of the heirs of the deceased and legatees (persons receiving property under the terms of a will), must also advise the register whether each heir or legatee is a lineal descendant of the deceased and exempt from paying inheritance tax. This information must be provided on the list of interested persons the personal representative is required to file under the Maryland Rules. Prior to receiving inherited property, a person must present to the person distributing the property a copy of the list of interested persons or a certificate from the register that the property has been included on a report filed by the personal representative that lists property not passed by will or intestate succession but otherwise potentially subject to inheritance tax.

Fiscal Summary

State Effect: None. The bill would not directly affect State operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The personal representative of an estate, not later than 20 days after appointment, must advise the register of the names and addresses of the heirs of the deceased and legatees, to the extent known, in order for the register to send notice to the

heirs and legatees of the appointment of the personal representative. Under the Maryland Rules, a personal representative is required to file a list of interested persons, within the first 20 days of their appointment, which requires an indication of each heir or legatee's personal relationship to the deceased.

Property that passes from a decedent is subject to inheritance tax of 10% of the fair market value of the property minus expenses. However, specified property is exempt from the inheritance tax, including any property passing to a grandparent, parent, spouse, child or other lineal descendant, spouse of a child or other lineal descendant, stepparent, stepchild, brother or sister of the deceased.

Inheritance tax on nonexempt property must be paid, before the property is distributed, by the person distributing the property. In the alternative the recipient of the property must pay the inheritance tax if the person distributing the property does not. A court may also order property of the estate sold to pay the inheritance tax unless the decedent specified a source capable of paying the inheritance tax.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Register of Wills, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2006
mam/jr

Analysis by: Scott D. Kennedy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510