

SENATE BILL 512

Q7

71r0845

By: **Senators Dyson, Madaleno, and Stoltzfus**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Estate Tax – Exclusion for Qualified Conservation Easements**

3 FOR the purpose of altering for purposes of the Maryland estate tax the determination
4 of the amount of a certain exclusion allowed under the federal estate tax for
5 qualified conservation easements; providing for the application of this Act; and
6 generally relating to the determination of the Maryland estate tax.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 7–309(b)(1) and (2)
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2006 Supplement)

12 BY adding to
13 Article – Tax – General
14 Section 7–309(b)(8)
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2006 Supplement)

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

19 **Article – Tax – General**

20 7–309.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) Except as **OTHERWISE** provided in [paragraphs (2) through (7) of]
2 this subsection, after the effective date of an Act of Congress described in subsection
3 (a) of this section, the Maryland estate tax shall be determined using:

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

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

9 (2) Except as **OTHERWISE** provided in [paragraphs (3) through (7) of]
10 this subsection, if the federal estate tax is not in effect on the date of the decedent's
11 death, the Maryland estate tax shall be determined using:

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

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

17 **(8) FOR PURPOSES OF CALCULATING MARYLAND ESTATE TAX,**
18 **THE AMOUNT OF THE EXCLUSION WITH RESPECT TO A QUALIFIED**
19 **CONSERVATION EASEMENT UNDER § 2031(C) OF THE INTERNAL REVENUE**
20 **CODE SHALL BE DETERMINED BY:**

21 **(I) SUBSTITUTING "100 PERCENT" FOR "40 PERCENT" AND**
22 **"5 PERCENTAGE POINTS" FOR "2 PERCENTAGE POINTS" IN THE DEFINITION OF**
23 **THE TERM "APPLICABLE PERCENTAGE" UNDER § 2031(C)(2) OF THE INTERNAL**
24 **REVENUE CODE; AND**

25 **(II) APPLYING AN EXCLUSION LIMITATION OF \$1,000,000**
26 **INSTEAD OF THE EXCLUSION LIMITATION SPECIFIED UNDER § 2031(C)(3) OF**
27 **THE INTERNAL REVENUE CODE.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 2007, and shall be applicable to all decedents dying on or after January 1,
30 2007.