

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 156

(Senator Frosh)

Budget and Taxation

Ways and Means

Maryland Estate Tax - Filing of Returns

This bill alters several procedures relating to the filing of returns for the Maryland estate tax by: (1) allowing returns to be filed with the Comptroller or with the register of wills; (2) requiring that amended tax returns be filed with the Comptroller's Office; and (3) altering the requirement that a register of wills certify to the Comptroller the amount of inheritance tax paid for a decedent under specified circumstances.

The bill takes effect July 1, 2009 and is applicable to decedents dying after December 31, 2008.

Fiscal Summary

State Effect: None. These administrative changes will not materially affect State operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: Each register of wills must certify to the Comptroller the amount of inheritance tax paid for each decedent for whom the register receives a request for the certification from: the Comptroller; the personal representative of the decedent's estate; or any person required to file a Maryland estate tax return with regard to property passing from the decedent. On request, each register is required to certify to the Comptroller the

amount of inheritance tax paid for each decedent for whom an amended Maryland estate tax return is filed with the Comptroller.

Current Law: Maryland estate tax returns and inheritance tax returns must be filed with the county register of wills where the decedent resided at the time of death. Each register is required to certify to the Comptroller the amount of inheritance tax paid for each decedent for whom a Maryland estate tax return is filed with the register.

A person is required to file an amended tax return with the register of wills if the Maryland estate tax liability is increased because of (1) a change in the federal gross estate, taxable estate, estate tax, or other change as determined under the Internal Revenue Code; (2) after-discovered property; (3) a correction to the value of the previously reported property or claimed deductions; or (4) any other correction to a previously filed return.

Although returns are filed with the register of wills, the Revenue Administration Division of the Comptroller's Office administers the estate tax.

State Expenditures: The Comptroller's Office indicates that administrative expenses associated with receiving estate tax returns are assumed to be minimal and absorbable within existing budgeted resources. The registers of wills advise that the bill will not significantly alter the operations of the registers' office. Estate tax returns are received and certified by the registers and are then sent to the Comptroller's Office for processing.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 10, 2009
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Analysis by: Robert J. Rehrmann

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