

# SENATE BILL 678

Q7

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By: **Senator Brinkley**

Introduced and read first time: February 4, 2011

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Estate Tax – Unified Credit**

3 FOR the purpose of altering a certain limit on the unified credit used for determining  
4 the Maryland estate tax; repealing a certain limit on the unified credit used for  
5 determining the Maryland estate tax for decedents dying after a certain date;  
6 altering a certain limitation on the amount of the Maryland estate tax; and  
7 generally relating to the Maryland estate tax.

8 BY repealing and reenacting, without amendments,  
9 Article – Tax – General  
10 Section 7–309(a)  
11 Annotated Code of Maryland  
12 (2010 Replacement Volume)

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – General  
15 Section 7–309(b)(1), (2), and (3)  
16 Annotated Code of Maryland  
17 (2010 Replacement Volume)

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

20 **Article – Tax – General**

21 7–309.

22 (a) Notwithstanding an Act of Congress that repeals or reduces the federal  
23 credit under § 2011 of the Internal Revenue Code, the provisions of this subtitle in  
24 effect before the passage of the Act of Congress shall apply with respect to a decedent  
25 who dies after the effective date of the Act of Congress so as to continue the Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 estate tax in force without reduction in the same manner as if the federal credit had  
2 not been repealed or reduced.

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

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

9 (ii) other provisions of federal estate tax law, **INCLUDING THE**  
10 **APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX**, as  
11 in effect on the date of the decedent's death.

12 (2) Except as provided in paragraphs (3) through (7) of this subsection,  
13 if the federal estate tax is not in effect on the date of the decedent's death, the  
14 Maryland estate tax shall be determined using:

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

18 (ii) other provisions of federal estate tax law, **INCLUDING THE**  
19 **APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX**, as  
20 in effect on the date immediately preceding the effective date of the repeal of the  
21 federal estate tax.

22 (3) (i) Notwithstanding any increase in the unified credit allowed  
23 against the federal estate tax for decedents dying after 2003, the unified credit used  
24 for determining the Maryland estate tax **FOR A DECEDENT DYING BEFORE JULY 1,**  
25 **2014**, may not exceed the applicable credit amount corresponding to an applicable  
26 exclusion amount [of \$1,000,000], within the meaning of § 2010(c) of the Internal  
27 Revenue Code, **OF:**

28 **1. \$1,000,000 FOR A DECEDENT DYING BEFORE**  
29 **JULY 1, 2011;**

30 **2. \$2,000,000 FOR A DECEDENT DYING ON OR AFTER**  
31 **JULY 1, 2011, BUT BEFORE JULY 1, 2012;**

32 **3. \$3,000,000 FOR A DECEDENT DYING ON OR AFTER**  
33 **JULY 1, 2012, BUT BEFORE JULY 1, 2013; AND**

34 **4. \$4,000,000 FOR A DECEDENT DYING ON OR AFTER**  
35 **JULY 1, 2013, BUT BEFORE JULY 1, 2014.**

1 (ii) The Maryland estate tax shall be determined without regard  
2 to any deduction for State death taxes allowed under § 2058 of the Internal Revenue  
3 Code.

4 (iii) Unless the federal credit allowable by § 2011 of the Internal  
5 Revenue Code is in effect on the date of the decedent's death, the federal credit used to  
6 determine the Maryland estate tax may not exceed 16% of the amount by which the  
7 decedent's taxable estate, as defined in § 2051 of the Internal Revenue Code, exceeds:

8 1. \$1,000,000 FOR A DECEDENT DYING BEFORE JULY  
9 1, 2011;

10 2. \$2,000,000 FOR A DECEDENT DYING ON OR AFTER  
11 JULY 1, 2011, BUT BEFORE JULY 1, 2012;

12 3. \$3,000,000 FOR A DECEDENT DYING ON OR AFTER  
13 JULY 1, 2012, BUT BEFORE JULY 1, 2013;

14 4. \$4,000,000 FOR A DECEDENT DYING ON OR AFTER  
15 JULY 1, 2013, BUT BEFORE JULY 1, 2014; AND

16 5. THE APPLICABLE EXCLUSION AMOUNT  
17 CORRESPONDING TO THE APPLICABLE UNIFIED CREDIT UNDER PARAGRAPH (1)  
18 OR (2) OF THIS SUBSECTION, FOR A DECEDENT DYING ON OR AFTER JULY 1,  
19 2014.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 2011.