

**Department of Legislative Services**  
Maryland General Assembly  
2015 Session

**FISCAL AND POLICY NOTE**

Senate Bill 177  
Budget and Taxation

(Senator Kasemeyer)

Ways and Means

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**Estate Tax - Filing of Tax Returns**

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This bill requires estates to file an estate tax return with the Comptroller's Office. Under current law, estates can file returns with the Comptroller's Office or the register of wills.

The bill takes effect July 1, 2015.

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**Fiscal Summary**

**State Effect:** State finances are not materially affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** If required, an estate tax return must be filed within nine months of a decedent's death with the Comptroller's Office or the register of wills, unless the Comptroller grants an extension. Generally, a return is required for every estate if the decedent at the date of death was a Maryland resident or a nonresident but owned real or tangible personal property having a taxable situs in Maryland and the federal gross estate, plus adjusted taxable gifts, plus property for which a Maryland Qualified Terminal Interest Property election was previously made on a Maryland estate tax return filed for the estate of the decedent's predeceased spouse, equals or exceeds the Maryland estate tax exclusion amount in the year of the decedent's death.

**Background:** The State imposes a tax on property that passes at or after the death of an individual through an estate tax and an inheritance tax. In fiscal 2016, estate tax revenues are projected to total \$164.4 million and inheritance taxes \$51.9 million. Estates may generally claim a credit against the estate tax for the amount of inheritance taxes paid.

The Comptroller's Office administers the estate tax, with the register of wills certifying the amount, if any, of inheritance taxes paid by the estate. If an estate tax return is filed with the register of wills, the register of wills certifies any inheritance taxes paid and forwards the tax return to the Comptroller's Office. The register of wills incurs about \$15,000 annually in postage charges as a result, but these expenses are reimbursed by assessing estates for the postage expenses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller's Office, Judiciary (Administrative Office of the Courts), Register of Wills, Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2015  
min/jrb

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