

HOUSE BILL 198

Q7

8lr0342

By: **Delegates Luedtke, Afzali, Beidle, Carey, Jameson, Krebs, W. Miller, Rose, and Shoemaker**

Introduced and read first time: January 18, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

Inheritance Tax – Perpetual Conservation Easement – Farming Purposes – Exemption

4 FOR the purpose of providing an exemption from the inheritance tax for certain real
5 property subject to a certain perpetual conservation easement that passes from a
6 decedent to certain individuals; requiring the recapture of certain inheritance tax
7 under certain circumstances; defining certain terms; providing for the application of
8 this Act; and generally relating to the inheritance tax.

9 BY repealing and reenacting, without amendments,

10 Article – Tax – General

11 Section 7-203(b)

12 Annotated Code of Maryland

13 (2016 Replacement Volume and 2017 Supplement)

14 BY adding to

15 Article – Tax – General

16 Section 7-203(m)

17 Annotated Code of Maryland

18 (2016 Replacement Volume and 2017 Supplement)

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

Article – Tax – General

22 7-203.

23 (b) (1) (i) In this subsection the following words have the meanings
24 indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- (ii) "Child" includes a stepchild or former stepchild.
- (iii) "Parent" includes a stepparent or former stepparent.
- (iv) "Surviving spouse" means a surviving spouse who has not

- (i) a grandparent of the decedent;
- (ii) a parent of the decedent;
- (iii) a spouse of the decedent;
- (iv) a child of the decedent or a lineal descendant of a child of the decedent;
- (v) a spouse of a child of the decedent or a spouse of a lineal descendant of the decedent;

14 (vi) a surviving spouse of a deceased child of the decedent or of a
15 deceased lineal descendant of a child of the decedent who was married to the child or lineal
16 descendant of the child at the time of the child's or lineal descendant's death;

21 (M) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
22 MEANINGS INDICATED.

(II) "FARMING PURPOSES" HAS THE MEANING STATED IN § 2032A(E)(5) OF THE INTERNAL REVENUE CODE.

1 DECEDENT.

2 (3) (I) THE INHERITANCE TAX SHALL BE RECAPTURED AS
3 PROVIDED IN THIS PARAGRAPH IF THE REAL PROPERTY THAT IS EXCLUDED UNDER
4 PARAGRAPH (2) OF THIS SUBSECTION CEASES TO BE USED FOR FARMING PURPOSES.

5 (II) THE AMOUNT OF THE INHERITANCE TAX IMPOSED UNDER
6 THIS PARAGRAPH SHALL BE THE INHERITANCE TAX THAT WOULD HAVE BEEN
7 PAYABLE AT THE TIME OF THE DECEDENT'S DEATH BUT FOR THE PROVISIONS
8 UNDER PARAGRAPH (2) OF THIS SUBSECTION.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2018, and shall be applicable to decedents dying after December 31, 2017.