

HOUSE BILL 100

Q7

4lr0974

HB 100/23 – W&M

(PRE-FILED)

By: **Delegate Cardin**

Requested: October 16, 2023

Introduced and read first time: January 10, 2024

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2024

CHAPTER _____

1 AN ACT concerning

2 **Inheritance Tax ~~Rate~~ – Beneficiaries of Limited Means – Installment Payments**

3 FOR the purpose of ~~altering, under certain circumstances, the inheritance tax due on~~
4 ~~certain property that passes from a decedent to or for the use of certain beneficiaries~~
5 ~~of limited means; requiring a certain register of wills to allow an installment~~
6 ~~payment plan for the inheritance tax to be paid by a certain beneficiary of limited~~
7 ~~means under certain circumstances and subject to certain limitations; and generally~~
8 relating to the inheritance tax.

9 BY ~~repealing and reenacting, with amendments,~~ adding to
10 Article – Tax – General
11 Section ~~7-204~~ 7-218.1
12 Annotated Code of Maryland
13 (2022 Replacement Volume and 2023 Supplement)

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

16 **Article – Tax – General**

17 ~~7-204.~~

18 (a) ~~(1) In this section,~~ “clear” ~~THE FOLLOWING WORDS HAVE THE~~
19 ~~MEANINGS INDICATED.~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 7-218.1.

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) “AGRICULTURAL LAND” MEANS REAL PROPERTY THAT IS OR WAS
5 ASSESSED ON THE BASIS OF FARM OR AGRICULTURAL USE UNDER § 8-209 OF THE
6 TAX – PROPERTY ARTICLE.

7 (3) “BENEFICIARY OF LIMITED MEANS” MEANS AN INDIVIDUAL
8 ENTITLED TO PROPERTY OF A DECEDENT IF THE INDIVIDUAL’S FEDERAL ADJUSTED
9 GROSS INCOME DOES NOT EXCEED:

10 (I) \$125,000 FOR AN INDIVIDUAL OTHER THAN AN INDIVIDUAL
11 DESCRIBED IN ITEM (II) OF THIS PARAGRAPH; OR

12 (II) \$250,000 FOR SPOUSES FILING A JOINT RETURN OR FOR A
13 SURVIVING SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED IN § 2 OF THE INTERNAL
14 REVENUE CODE.

15 ~~(4) “CLEAR value” means fair market value minus expenses.~~

16 (4) “ELIGIBLE REAL PROPERTY” MEANS REAL PROPERTY THAT:

17 (I) PASSES FROM THE DECEDENT TO A BENEFICIARY OF
18 LIMITED MEANS; AND

19 (II) 1. IS THE PRIMARY RESIDENCE OF THE BENEFICIARY OF
20 LIMITED MEANS; OR

21 2. IS AGRICULTURAL LAND THAT THE BENEFICIARY OF
22 LIMITED MEANS MAINTAINS AS AGRICULTURAL LAND.

23 (5) “FEDERAL ADJUSTED GROSS INCOME” HAS THE MEANING STATED
24 IN § 10-101 OF THIS ARTICLE.

25 (B) ON APPLICATION OF A BENEFICIARY OF LIMITED MEANS, THE REGISTER
26 WHO DETERMINES THE INHERITANCE TAX UNDER § 7-214 OF THIS SUBTITLE SHALL
27 ALLOW AN INSTALLMENT PAYMENT PLAN FOR THE INHERITANCE TAX TO BE PAID BY
28 THE BENEFICIARY OF LIMITED MEANS ON ELIGIBLE REAL PROPERTY IF PAYMENT
29 OF THE INHERITANCE TAX ON THE DUE DATE WOULD REQUIRE THE SALE OF THE
30 ELIGIBLE REAL PROPERTY.

1 (C) A BENEFICIARY OF LIMITED MEANS MAY APPLY FOR THE INSTALLMENT
2 PAYMENT PLAN BY FILING WITH THE REGISTER AN APPLICATION ON THE FORM AND
3 IN THE MANNER THAT THE REGISTER REQUIRES.

4 (D) THE REGISTER SHALL SPECIFY THE INSTALLMENT PAYMENT SCHEDULE
5 AND THE AMOUNT OF ANY INSTALLMENT PAYMENTS AUTHORIZED UNDER THIS
6 SECTION.

7 ~~(b) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~
8 ~~SUBSECTION, THE inheritance tax rate is 10% of the clear value of the property that passes~~
9 ~~from a decedent.~~

10 ~~(2) (i) THIS PARAGRAPH APPLIES ONLY IF A BENEFICIARY OF~~
11 ~~LIMITED MEANS ELECTS TO PAY THE INHERITANCE TAX DUE UNDER THIS SUBTITLE~~
12 ~~ON THE PROPERTY THAT PASSES FROM THE DECEDENT TO THE BENEFICIARY OF~~
13 ~~LIMITED MEANS.~~

14 ~~(ii) IN THE CASE OF REAL PROPERTY TO BE DISTRIBUTED TO A~~
15 ~~BENEFICIARY OF LIMITED MEANS THAT IS INTENDED TO BE THE PRIMARY~~
16 ~~RESIDENCE OF THE BENEFICIARY OF LIMITED MEANS OR IS AGRICULTURAL LAND~~
17 ~~THAT THE BENEFICIARY OF LIMITED MEANS INTENDS TO MAINTAIN AS~~
18 ~~AGRICULTURAL LAND, THE INHERITANCE TAX RATE IS THE LESSER OF:~~

19 ~~1. THE RATE SPECIFIED UNDER PARAGRAPH (1) OF THIS~~
20 ~~SUBSECTION; OR~~

21 ~~2. 20% OF THE FEDERAL ADJUSTED GROSS INCOME OF~~
22 ~~THE BENEFICIARY OF LIMITED MEANS FOR THE TAXABLE YEAR IN WHICH THE~~
23 ~~DECEDENT DIED.~~

24 ~~(e) If a decedent died on or before May 31, 1975, the rate of the inheritance tax is~~
25 ~~the rate in effect on the date of the decedent's death.~~

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2024, and shall be applicable to all decedents dying on or after July 1, 2024.