

HOUSE BILL 17

N2, Q7

(PRE-FILED)

6lr1295

CF 6lr1281

By: Delegate Cardin

Requested: October 22, 2025

Introduced and read first time: January 14, 2026

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Estates and Trusts – Venue for Administrative and Judicial Probate and**
3 **Application of Inheritance Tax**

4 FOR the purpose of altering certain criteria for determining the venue for administrative
5 or judicial probate of decedents who were not domiciled in the State; providing that,
6 for purposes of the application of the Maryland inheritance tax, the situs of
7 intangible personal property is the domicile of the decedent; repealing a certain
8 exemption from the Maryland inheritance tax for personal property that passes from
9 a nonresident decedent; applying certain provisions of this Act retroactively; and
10 generally relating to administrative and judicial probate of decedents' estates and
11 the Maryland inheritance tax.

12 BY repealing and reenacting, with amendments,
13 Article – Estates and Trusts
14 Section 5–103
15 Annotated Code of Maryland
16 (2022 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Tax – General
19 Section 7–202 and 7–203
20 Annotated Code of Maryland
21 (2022 Replacement Volume and 2025 Supplement)

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

24 **Article – Estates and Trusts**

25 5–103.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(a) The venue for administrative or judicial probate is in:

(1) IF THE DECEDED WAS DOMICILED IN THE STATE, the county in

3 which the decedent was domiciled at the time of death[, or, if];

(2) IF the decedent was not domiciled in [Maryland] THE STATE BUT WAS

5 DOMICILED IN THE UNITED STATES, the county in which the petitioner believes the
6 largest part in value of the property of the decedent in [Maryland] THE STATE was located
7 at the time of death; OR

(3) IF THE DECEDENT WAS NOT DOMICILED IN THE UNITED STATES,

9 THE COUNTY IN WHICH THE PETITIONER BELIEVES:

(I) THE LARGEST PART IN VALUE OF THE PROPERTY OF THE

11 DECEDENT IN THE STATE WAS LOCATED AT THE TIME OF DEATH;

(II) ANY CAUSE OF ACTION IN FAVOR OF THE DECEDED AROSE;

13 (III) THE PERSONAL REPRESENTATIVE RES

16 OR BENEFICIARIES RESIDE; OR

F THE STATE WITH WHICH THE DECEDENT HAD A CONTRACTUAL

19 AGREEMENT MAY BE SUED.

(b) (1) For the purpose of determining venue for the administration of the

21 estate of a decedent [who was not domiciled in Maryland at the time of death] DESCRIBED

(2) $\langle \langle \rangle \rangle$ The *it* in *feel it will be* is a 1st person singular the verb in the 1st person singular.

24 (2) (i) The situs of intangible personal property
25 instrument evidencing a debt, obligation, stock or share in action.

(ii) If there is no instrument, the residence of the debtor governs

(III) THE SITUS OF INTANGIBLE PERSONAL PROPERTY IS NOT

27 (III) THE STATUS OF INTANGIBLE PERSONAL PROPERTY IS NOT
28 ALTERED BY THE OPENING OF AN ESTATE OF A DECEDENT DESCRIBED UNDER

28 ALTERED BY THE OPENING OF AN E
29 SUBSECTION (A)(3) OF THIS SECTION

(3) The situs of an interest in property held in trust is any county where the trustee may be sued.

5 (2) If a proceeding is commenced in more than one county, the court of the
6 county where proceedings are filed first has exclusive jurisdiction to determine venue.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
11 as follows:

Article – Tax – General

13 7-202.

14 (A) Except as provided in § 7–203 of this subtitle, a tax is imposed on the privilege
15 of receiving property that passes from a decedent and has a taxable situs in the State.

16 (B) FOR PURPOSES OF THIS SUBTITLE, THE SITUS OF INTANGIBLE
17 PERSONAL PROPERTY IS THE DOMICILE OF THE DECEDEDENT.

18 7-203.

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

24 (ii) "Child" includes a stepchild or former stepchild.

25 (iii) "Parent" includes a stepparent or former stepparent.

26 (iv) "Surviving spouse" means a surviving spouse who has not
27 remarried.

(2) The inheritance tax does not apply to the receipt of property that passes from a decedent to or for the use of:

30 (i) a grandparent of the decedent;

1 (ii) a parent of the decedent;

2 (iii) a spouse of the decedent;

3 (iv) a child of the decedent or a lineal descendant of a child of the
4 decedent;

5 (v) a spouse of a child of the decedent or a spouse of a lineal
6 descendant of a child of the decedent;

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

10 (vii) a brother or sister of the decedent; or

11 (viii) a corporation, partnership, or limited liability company if all of
12 its stockholders, partners, or members consist of individuals specified in items (i) through
13 (vii) of this paragraph.

14 (c) The inheritance tax does not apply to the receipt of the first \$500 of property
15 that passes from a decedent under a will for the perpetual upkeep of graves.

16 (d) The inheritance tax does not apply to the receipt of the proceeds of a life
17 insurance policy payable to any beneficiary other than the estate of the insured.

18 (e) The inheritance tax does not apply to the receipt of property that passes from
19 a decedent to or for the use of an organization that is exempt from taxation under § 501(c)(3)
20 of the Internal Revenue Code or to which transfers are deductible under § 2055 of the
21 Internal Revenue Code if the organization:

22 (1) is incorporated under the laws of this State;

23 (2) conducts a substantial part of all its activities in this State or in the
24 District of Columbia; or

25 (3) has its principal place of business in a jurisdiction whose law:

26 (i) does not impose death taxes on the receipt of property that passes
27 from a decedent to a beneficiary of this State that is exempt from taxation under § 501(c)(3)
28 of the Internal Revenue Code or to which transfers are deductible under § 2055 of the
29 Internal Revenue Code; or

30 (ii) contains a reciprocal exemption from death taxes similar to the
31 exemption allowed in this subsection.

(f) [(1) Except as provided in paragraph (2) of this subsection, the inheritance tax does not apply to the receipt of personal property that passes from a nonresident decedent if, at the time of death, the decedent is a resident of a state or foreign country whose law, on the date of the decedent's death:

5 (i) does not impose death taxes on the receipt of similar personal
6 property of a resident of this State; or

(ii) contains a reciprocal exemption from death taxes similar to the exemption allowed under this subsection.

(2) The exemption under paragraph (1) of this subsection does not include the receipt of tangible personal property that has a taxable situs in this State.

11 (g)] The inheritance tax does not apply to the receipt of property that passes from
12 a decedent to any 1 person if the total value of the property does not exceed \$1,000.

13 **[h] (G)** The inheritance tax does not apply to the receipt of property that is
14 distributed from an estate that qualifies under § 5-601 of the Estates and Trusts Article
15 for administration as a small estate.

16 [i] (H) The inheritance tax does not apply to the receipt of property that passes
17 from a decedent to the State, a county, or a municipal corporation of the State.

18 [j] (I) The inheritance tax does not apply to the receipt of property that is
19 income, including gains and losses, accrued on probate assets after the date of death of the
20 decedent.

21 [(k)] (J) (1) (i) In this subsection the following words have the meanings
22 indicated

33 (iii) "Nazi Germany" means:

2. for the period from 1933 through 1945, Deutsche Reich.

(2) The inheritance tax does not apply to the receipt of property that is:

(ii) amounts received by a decedent as reparations or restitution for the loss of liberty or damage to the health of the decedent because the decedent was:

1. a Holocaust victim; or

2. a spouse or descendant of a Holocaust victim.

10 (3) The exclusion under paragraph (2) of this subsection includes interest
11 on the proceeds receivable as insurance under policies issued by European insurance
12 companies prior to and during World War II to a Holocaust victim.

(4) The exclusion under paragraph (2) of this subsection does not include:

14 (i) assets acquired with the assets described in paragraph (2) of this
15 subsection; or

16 (ii) assets acquired with the proceeds from the sale of the assets
17 described in paragraph (2) of this subsection.

18 (5) The subtraction under paragraph (2)(i) of this subsection shall only
19 apply if the decedent:

20 (i) was the first recipient of the assets described in paragraph (2)(i)
21 of this subsection after their recovery; and

(ii) was:

1. a Holocaust victim; or

2. a spouse or descendant of a Holocaust victim.

25 [l] (k) (1) (i) In this subsection the following words have the meanings
26 indicated.

27 (ii) "Domestic partner" means an individual with whom another
28 individual has established a domestic partnership.

(iii) "Domestic partnership" means a relationship between two individuals that is a domestic partnership:

3 1. under § 6–101(a) of the Health – General Article; or

(2) If the domestic partner of a decedent provides the affidavit described in § 6-101(b)(1) of the Health – General Article or any two of the proofs of domestic partnership listed under § 6-101(b)(2) of the Health – General Article, the inheritance tax does not apply to the receipt of an interest in a joint primary residence that:

10 (i) at the time of death was held in joint tenancy by the decedent
11 and the domestic partner; and

12 (ii) passes from the decedent to or for the use of the domestic partner.

13 (3) For a domestic partnership registered in accordance with § 2-214 of the
14 Estates and Trusts Article, the inheritance tax does not apply to the receipt of property
15 that passes from the decedent to or for the use of the domestic partner of the decedent.

16 [m] (L) (1) (i) In this subsection the following words have the meanings
17 indicated.

18 (ii) "Farming purposes" has the meaning stated in § 2032A(e)(5) of
19 the Internal Revenue Code.

(iii) "Perpetual conservation easement" means an easement on real property that perpetually restricts the use of the real property to farming purposes.

25 (3) (i) The inheritance tax shall be recaptured as provided in this
26 paragraph if the real property that is excluded under paragraph (2) of this subsection ceases
27 to be used for farming purposes.

(ii) The amount of the inheritance tax imposed under this paragraph shall be the inheritance tax that would have been payable at the time of the decedent's death but for the provisions under paragraph (2) of this subsection.

31 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be
32 construed to apply retroactively and shall be applied to and interpreted to affect estates
33 opened on or after July 1, 2026.

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1 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
2 applicable to all decedents dying on or after July 1, 2026.

3 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2026.