

# SENATE BILL 277

N2, Q7

6lr1281  
CF HB 17

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By: Senator West

Introduced and read first time: January 19, 2026

Assigned to: Judicial Proceedings

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## 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.

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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 DECEDENT WAS DOMICILED IN THE STATE**, the county in the decedent was domiciled at the time of death[, or, if];

**(2) IF** the decedent was not domiciled in [Maryland] **THE STATE BUT WAS  
CILED IN THE UNITED STATES**, the county in which the petitioner believes the  
t part in value of the property of the decedent in [Maryland] **THE STATE** was located  
time of death; **OR**

**(3) IF THE DECEDENT WAS NOT DOMICILED IN THE UNITED STATES,  
COUNTY IN WHICH THE PETITIONER BELIEVES:**

**(I) THE LARGEST PART IN VALUE OF THE PROPERTY OF THE  
DEBTOR IN THE STATE WAS LOCATED AT THE TIME OF DEATH;**

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

**(III) THE PERSONAL REPRESENTATIVE RESIDES OR HAS THE  
PERSONAL REPRESENTATIVE'S PRINCIPAL PLACE OF BUSINESS;**

(IV) ONE OR MORE INTERESTED PERSONS, LEGATEES, HEIRS, BENEFICIARIES RESIDE; OR

(v) A FINANCIAL INSTITUTION THAT IS SUBJECT TO THE  
JURISDICTION OF THE STATE WITH WHICH THE DECEDED HAD A CONTRACTUAL  
AGREEMENT MAY BE SUED.

(b) (1) For the purpose of determining venue for the administration of the estate of a decedent [who was not domiciled in Maryland at the time of death] **DESCRIBED IN SUBSECTION (A)(2) OR (3) OF THIS SECTION**, the situs of **REAL PROPERTY AND** tangible personal property is its location.

(2) (i) The situs of intangible personal property is the location of the instrument evidencing a debt, obligation, stock, or chose in action.

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

(III) THE SITUS OF INTANGIBLE PERSONAL PROPERTY IS NOT  
RED BY THE OPENING OF AN ESTATE OF A DECEDED DESCRIBED UNDER  
SECTION (A)(3) OF THIS SECTION.

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

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

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

## Article – Tax – General

11 7-202.

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

14 (B) FOR PURPOSES OF THIS SUBTITLE, THE SITUS OF INTANGIBLE  
15 PERSONAL PROPERTY IS THE DOMICILE OF THE DECEDENT.

16 7-203.

17 (a) The inheritance tax does not apply to the receipt of an annuity or other  
18 payment under a public or private employees' pension or benefit plan if the annuity or other  
19 payment is not taxable for federal estate tax purposes.

20 (b) (1) (i) In this subsection the following words have the meanings  
21 indicated.

(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

25 remarried.

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

28 (1) a grandparent of the decedent;

29 (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 child of the decedent;
- (vi) a surviving spouse of a deceased child of the decedent or of a descendant of a child of the decedent who was married to the child or lineal child at the time of the child's or lineal descendant's death;
- (vii) a brother or sister of the decedent; or
- (viii) a corporation, partnership, or limited liability company if all of partners, or members consist of individuals specified in items (i) through (vii).

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

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

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

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

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

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

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

31 (f) [(1) Except as provided in paragraph (2) of this subsection, the inheritance  
32 tax does not apply to the receipt of personal property that passes from a nonresident

1 decedent if, at the time of death, the decedent is a resident of a state or foreign country  
2 whose law, on the date of the decedent's death:

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

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

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

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

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

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

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

19 [(k)] (J) (1) (i) In this subsection the following words have the meanings  
20 indicated.

21 (ii) "Holocaust victim" means an individual who died or lost property  
22 as a result of discriminatory laws, policies, or actions targeted against discrete groups of  
23 individuals based on race, religion, ethnicity, sexual orientation, or national origin, whether  
24 or not the individual was actually a member of any of those groups, or because the  
25 individual assisted or allegedly assisted any of those groups, between January 1, 1929 and  
26 December 31, 1945, in the country of Nazi Germany, areas occupied by Nazi Germany,  
27 those European countries allied with Nazi Germany, areas occupied by those European  
28 countries allied with Nazi Germany, or any other neutral European country or area in  
29 Europe under the influence or threat of invasion by Nazi Germany or by any European  
30 country allied with or occupied by Nazi Germany.

31 (iii) "Nazi Germany" means:

32 1. for the period from 1929 to 1933, the Republic of Germany,  
33 commonly referred to as the Weimar Republic; and

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

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

2 (i) tangible or intangible property or compensation for tangible or  
3 intangible property that was seized, misappropriated, or lost as a result of the actions or  
4 policies of Nazi Germany toward a Holocaust victim; or

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

2. a spouse or descendant of a Holocaust victim.

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

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

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

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

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

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

21 (ii) was:

22 1. a Holocaust victim; or

23 2. a spouse or descendant of a Holocaust victim.

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

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

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

30 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:

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

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

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

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

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

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

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

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

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

1           SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2    1, 2026.