

SENATE BILL 277

N2, Q7

6lr1281
CF HB 17

By: **Senator West**

Introduced and read first time: January 19, 2026

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 20, 2026

CHAPTER _____

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)

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

3 **Article – Estates and Trusts**

4 5–103.

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

6 **(1) IF THE DECEDENT WAS DOMICILED IN THE STATE**, the county in
7 which the decedent was domiciled at the time of death[, or, if];

8 **(2) IF** the decedent was not domiciled in [Maryland] **THE STATE BUT WAS**
9 **DOMICILED IN THE UNITED STATES**, the county in which the petitioner believes the
10 largest part in value of the property of the decedent in [Maryland] **THE STATE** was located
11 at the time of death; ~~OR~~

12 **(3) IF THE DECEDENT WAS NOT DOMICILED IN THE STATE BUT**
13 **PREVIOUSLY RESIDED IN THE STATE AND WAS NOT DOMICILED IN THE UNITED**
14 **STATES, THE COUNTY IN WHICH THE PETITIONER BELIEVES THE DECEDENT LAST**
15 **RESIDED IN THE STATE;**

16 **(4) IF THE DECEDENT WAS NOT DOMICILED IN THE STATE AND HAD**
17 **NOT PREVIOUSLY RESIDED IN THE STATE AND WAS NOT DOMICILED IN THE UNITED**
18 **STATES, THE COUNTY IN WHICH THE PETITIONER BELIEVES:**

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

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

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

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

26 **(V) A FINANCIAL INSTITUTION THAT IS SUBJECT TO THE**
27 **JURISDICTION OF THE STATE WITH WHICH THE DECEDENT HAD A CONTRACTUAL**
28 **AGREEMENT MAY BE SUED; OR**

29 **(5) IF ITEMS (1) THROUGH (4) OF THIS SUBSECTION DO NOT APPLY,**
30 **THE COUNTY THAT THE REGISTER, ORPHANS' COURT, OR OTHER GOVERNING**

1 ENTITY HAS DETERMINED IS NECESSARY, REASONABLE, OR IN THE INTEREST OF
 2 JUSTICE.

3 (b) (1) For the purpose of determining venue for the administration of the
 4 estate of a decedent [who was not domiciled in Maryland at the time of death] **DESCRIBED**
 5 **UNDER SUBSECTION (A)(2) ~~OR (3), (4), OR (5)~~ OF THIS SECTION**, the situs of **REAL**
 6 **PROPERTY AND** tangible personal property is its location.

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

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

10 (iii) **THE SITUS OF INTANGIBLE PERSONAL PROPERTY IS NOT**
 11 **ALTERED BY THE OPENING OF AN ESTATE OF A DECEDENT DESCRIBED UNDER**
 12 **SUBSECTION ~~(A)(3)~~ (A)(2), (3), (4), OR (5) OF THIS SECTION.**

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

15 (c) (1) Probate proceedings concerning a decedent may not be maintained in
 16 more than one county.

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

19 (3) If proper venue is finally determined to be in another county, the
 20 proceeding, including a will, petition, or any other paper filed, shall be transferred to the
 21 proper court.

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

24 Article – Tax – General

25 7–202.

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

28 (B) **FOR PURPOSES OF THIS SUBTITLE, THE SITUS OF INTANGIBLE**
 29 **PERSONAL PROPERTY IS THE DOMICILE OF THE DECEDENT.**

30 7–203.

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

4 (b) (1) (i) In this subsection the following words have the meanings
5 indicated.

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

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

8 (iv) "Surviving spouse" means a surviving spouse who has not
9 remarried.

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

12 (i) a grandparent of the decedent;

13 (ii) a parent of the decedent;

14 (iii) a spouse of the decedent;

15 (iv) a child of the decedent or a lineal descendant of a child of the
16 decedent;

17 (v) a spouse of a child of the decedent or a spouse of a lineal
18 descendant of a child of the decedent;

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

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

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

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

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

30 (e) The inheritance tax does not apply to the receipt of property that passes from
31 a decedent to or for the use of an organization that is exempt from taxation under § 501(c)(3)

1 of the Internal Revenue Code or to which transfers are deductible under § 2055 of the
2 Internal Revenue Code if the organization:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (ii) “Holocaust victim” means an individual who died or lost property
4 as a result of discriminatory laws, policies, or actions targeted against discrete groups of
5 individuals based on race, religion, ethnicity, sexual orientation, or national origin, whether
6 or not the individual was actually a member of any of those groups, or because the
7 individual assisted or allegedly assisted any of those groups, between January 1, 1929 and
8 December 31, 1945, in the country of Nazi Germany, areas occupied by Nazi Germany,
9 those European countries allied with Nazi Germany, areas occupied by those European
10 countries allied with Nazi Germany, or any other neutral European country or area in
11 Europe under the influence or threat of invasion by Nazi Germany or by any European
12 country allied with or occupied by Nazi Germany.

13 (iii) “Nazi Germany” means:

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

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

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

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

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

23 1. a Holocaust victim; or

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

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

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

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

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

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

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

5 (ii) was:

6 1. a Holocaust victim; or

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

8 **[(l)] (K)** (1) (i) In this subsection the following words have the meanings
9 indicated.

10 (ii) “Domestic partner” means an individual with whom another
11 individual has established a domestic partnership.

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

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

15 2. registered in accordance with § 2–214 of the Estates and
16 Trusts Article.

17 (2) If the domestic partner of a decedent provides the affidavit described in
18 § 6–101(b)(1) of the Health – General Article or any two of the proofs of domestic
19 partnership listed under § 6–101(b)(2) of the Health – General Article, the inheritance tax
20 does not apply to the receipt of an interest in a joint primary residence that:

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

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

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

27 **[(m)] (L)** (1) (i) In this subsection the following words have the meanings
28 indicated.

29 (ii) “Farming purposes” has the meaning stated in § 2032A(e)(5) of
30 the Internal Revenue Code.

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

3 (2) The inheritance tax does not apply to the receipt of real property that
4 is subject to a perpetual conservation easement and passes from a decedent to or for the
5 use of a niece or nephew of the decedent.

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

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

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

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

17 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.