



JUSTICE FOR ALL

February 1, 2024

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TO: The Honorable Vanessa Atterbeary, Chair, Ways and Means Committee

FROM: Steven Messmer

Tangled Title Attorney, Maryland Volunteer Lawyers Service

RE: HB100 – Inheritance Tax Rate – Beneficiaries of Limited Means– Support
with Amendments

The Maryland Volunteer Lawyers Service urges this Committee to favorably report SB 53. If passed, Senator Cardin’s bill will take effect on July 1, 2024. This bill would reduce the inheritance tax owed by some low-income heirs when inheriting a principal residence.

The inheritance tax is an inequitable barrier to probate that contributes to “tangled title,” where a deceased person’s name is still on the deed. This keeps low-income families in poverty by denying them access to home-related government benefits.

The inheritance tax is extremely easy to avoid so anyone with professional advice will not pay a dime. It is largely unenforceable. It funds only 0.15% of the state’s budget. Through its numerous exemptions for passing property to certain family relationships, it operates as a tax on deviating from traditional social norms. It is a tax on not getting married. It is a tax on not having children. It is a tax on being LGBTQ.

The inheritance tax is the main funding source of the Registers of Wills, but this arrangement is neither necessary nor desirable. There is already a mechanism for funding the Registers of Wills that is divorced from the amount of inheritance tax collected. Also, the level of funding from the inheritance tax does not match the needs of the registers. The Register of Wills for Montgomery County spends only 6% of the inheritance tax that they collect while the Register of Wills for Baltimore City spends over 100% of the inheritance tax that they collect.

For the foregoing reasons, the Maryland Volunteer Lawyers Service urges a **favorable** report of House Bill 100.