

**STATEMENT  
OF  
DAVID BARIS  
BEFORE THE  
MARYLAND SENATE BUDGET AND TAXATION COMMITTEE  
ON  
SB 859 – THE FAIR SHARE FOR MARYLAND ACT OF 2025**

Mr. Chairman, Ranking Member, and members of the Committee – thank you for the opportunity to submit this statement for the hearing record.

We have resided in MD for more than 40 years. Suddenly, like many other retirees and others approaching retirement or planning retirement, we are facing a radical and reckless change in MD's approach to estate taxes ("death taxes") without time to plan thoroughly.

While 38 states have no death tax, including contiguous states of VA, DE and WV, Maryland is heading in the other direction – retaining its death tax but making it more severe and more inclusive by lowering the exemption thresholds by 60% - for both singles and married couples - from \$5 million to \$2 million and \$10 million to \$4 million, respectively.

For an individual with \$10 million in estate assets, the estate tax would amount to \$1,280,000. For a married couple with \$10 million in assets, the estate tax would be \$960,000. For an individual with \$5 million in estate assets, the tax will be \$480,000. None would be taxed under current law.

Many of Maryland's residents have paid high income taxes over many years, at Maryland's 8.75% rate, which is one of the highest in the country, and will head higher still.

At the same time, unlike many states, Maryland is running a huge deficit but nonetheless has increased and is increasing its hiring spree. The proposed budget shows an increase in spending overall. To close the deficit, it is relying on increasing taxes to those who have saved all their working lifetimes to leave something for their family members and others.

Maryland is the only state that has both estate and inheritance taxes, so eliminating the inheritance tax is no great achievement.

Governor Moore touts the elimination of the inheritance tax but doesn't mention in his public summaries that the estate tax exemption threshold is being reduced by 60%. Maryland has reported that currently it receives four times the revenue from estate taxes than from inheritance taxes. Lowering the estate tax exemption threshold will multiply the revenues from death taxes and will capture a much larger group of Maryland residents.

By reducing the death tax exemptions by 60%, Maryland will have the third lowest death exemption threshold of the 12 states still assessing death taxes.

Many Maryland residents will feel betrayed. Those of us who have already paid huge amounts of income tax every year to Maryland may be facing confiscatory taxes on assets saved and sacrificed for over many years to help protect their families financially in the future.

Gov. Moore has rightly recognized the \$3 billion deficit projected for 2026, but his administration has failed to propose a curtailment of spending to a reasonable level and is taking it out on those who diligently paid their income taxes for many years and who would prefer to remain in Maryland than move to one of the 38 other states that have no estate tax. Those who move will no longer be paying income taxes to Maryland.

Overall, the tax proposal, which includes higher income taxes for many, has other infirmities but those mostly have significant impacts over a long period. An increase in income tax is an annual event, spread out over many years.

In comparison, a 60% lowering of the estate tax exemption threshold extracts 16% of one's lifetime savings in one day (the date of death) for those whose estate tax assets exceed the dramatically lowered exemption threshold.

It is a myth, often stated by those advocating for higher estate taxes, that most with sizable assets inherited them. But many have earned them by living productive and frugal lives. The Maryland proposal reeks of confiscation, not sensible taxation.

Maryland has been reckless in its spending, but it isn't fair for it to place the burden on those who have scrimped all their lives in order to pass on something to their family members.

Those who have saved all their lives will be jealous of others who have spent their savings on cruises, extravagant and frequent vacations, early retirement, Michelin starred restaurants, etc.

In the past 30 days, I've asked three estate lawyers what to do if this bill becomes law. Their unanimous response was "Move".

For an analysis of the policy reasons not to lower estate tax exemption thresholds or to eliminate all estate taxes, see attached.