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ARUNA MILLER
Lieutenant Governor



HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

House Bill HB1153 Maryland Estate Tax - Unified Credit

Statement of Information

DATE: February 20th 2025

COMMITTEE: Ways and Means

SUMMARY OF BILL: This bill changes how Maryland calculates estate taxes for people who die on or after January 1, 2026. Currently, Maryland provides a \$5 million estate tax exemption (plus any unused exemption from a deceased spouse) for deaths occurring after January 1, 2019. Starting January 1, 2026, the bill would conform Maryland's estate tax exemption with the federal estate tax exemption amount, currently scheduled to be \$13.9 million.

EXPLANATION: This bill takes a different approach than the Governor's proposal, which lowers the Maryland estate tax exemption as part of a reform plan that eliminates Maryland's inheritance tax. While the Governor's plan is a revenue-neutral approach to eliminating one of the state's two death taxes, this legislation would cost a significant amount of revenue.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long term. Given the forecasted out-year deficits for the General Fund as well as significant uncertainty regarding the federal budget and policy changes, it would be challenging for the State to manage the revenue impact from this bill.

**For additional information, contact Dana Phillips at
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