

SENATE BILL 277

N2, Q7

6lr1281
CF HB 17

By: **Senator West**

Introduced and read first time: January 19, 2026

Assigned to: Judicial Proceedings

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.

2 REPRINT OF SENATE BILL 277 as amended by SB0277/653026/1 02/03/26 at 10:05 AM

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

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

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

8 (3) IF THE DECEDENT WAS NOT DOMICILED IN THE STATE BUT PREVIOUSLY RESIDED IN THE
9 STATE AND WAS NOT DOMICILED IN THE UNITED STATES,
10 THE COUNTY IN WHICH THE PETITIONER BELIEVES THE DECEDENT LAST RESIDED IN THE STATE;

11 (4) IF THE DECEDENT WAS NOT DOMICILED IN THE STATE AND HAD NOT PREVIOUSLY
12 RESIDED IN THE STATE AND WAS NOT DOMICILED IN THE UNITED STATES, THE COUNTY IN WHICH THE
13 PETITIONER BELIEVES:

14 (I) THE LARGEST PART IN VALUE OF THE PROPERTY OF THE
15 DECEDENT IN THE STATE WAS LOCATED AT THE TIME OF DEATH;

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

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

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

21 (V) A FINANCIAL INSTITUTION THAT IS SUBJECT TO THE
22 JURISDICTION OF THE STATE WITH WHICH THE DECEDENT HAD A CONTRACTUAL
23 AGREEMENT MAY BE SUED; OR

24 (5) IF ITEMS (1) THROUGH (4) OF THIS SUBSECTION DO NOT APPLY, THE COUNTY WHICH
25 THE REGISTER, ORPHANS' COURT, OR OTHER GOVERNING ENTITY HAS DETERMINED IS NECESSARY,
26 REASONABLE, OR IN THE INTEREST OF JUSTICE.

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

31 (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
ALTERED BY THE OPENING OF AN ESTATE OF A DECEDENT DESCRIBED UNDER
SUBSECTION (A)(3) OR (4) OF THIS SECTION.

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

3 REPRINT OF SENATE BILL 277 as amended by SB0277/653026/1 02/03/26 at 10:05 AM

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

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

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

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

10 **Article – Tax – General**

11 7–202.

12 (A) Except as provided in § 7–203 of this subtitle, a tax is imposed on the privilege
13 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.

22 (ii) “Child” includes a stepchild or former stepchild.

23 (iii) “Parent” includes a stepparent or former stepparent.

24 (iv) “Surviving spouse” means a surviving spouse who has not
25 remarried.

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

28 (i) a grandparent of the decedent;

29 (ii) a parent of the decedent;

4 REPRINT OF SENATE BILL 277 as amended by SB0277/653026/1 02/03/26 at 10:05 AM

1 (iii) a spouse of the decedent;

2 (iv) a child of the decedent or a lineal descendant of a child of the
3 decedent;

4 (v) a spouse of a child of the decedent or a spouse of a lineal
5 descendant of a child of the decedent;

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

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

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

13 (c) The inheritance tax does not apply to the receipt of the first \$500 of property
14 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:

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

29 (ii) contains a reciprocal exemption from death taxes similar to the
30 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

5 REPRINT OF SENATE BILL 277 as amended by SB0277/653026/1 02/03/26 at 10:05 AM

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.

6 REPRINT OF SENATE BILL 277 as amended by SB0277/653026/1 02/03/26 at 10:05 AM

1 (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:

7 1. a Holocaust victim; or

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

9 (3) The exclusion under paragraph (2) of this subsection includes interest
10 on the proceeds receivable as insurance under policies issued by European insurance
11 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 **[1] (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.

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

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

7 REPRINT OF SENATE BILL 277 as amended by SB0277/653026/1 02/03/26 at 10:05 AM

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

3 (2) If the domestic partner of a decedent provides the affidavit described in
4 § 6–101(b)(1) of the Health – General Article or any two of the proofs of domestic
5 partnership listed under § 6–101(b)(2) of the Health – General Article, the inheritance tax
6 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.

17 (iii) “Perpetual conservation easement” means an easement on real
18 property that perpetually restricts the use of the real property to farming purposes.

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

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.

8 REPRINT OF SENATE BILL 277 as amended by SB0277/653026/1 02/03/26 at 10:05 AM

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