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THE MARYLAND HOUSE OF DELEGATES  
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## House Bill 98

### **Inheritance Tax – Beneficiaries of Limited Means – Installment Payments Support**

Owning a home has long been considered the “pinnacle” of achieving the American Dream. However, beneficiaries of limited means should not be forced into a Hobson’s Choice: either they must sell their residence in order to pay the inheritance tax or face foreclosure.

At a time when American families are already grappling with a housing affordability crisis—marked by rising home prices, higher interest rates, and increased cost-of-living pressures—the forced sale of an inherited primary residence can be devastating. For many families in Maryland, replacing that home in today’s market is simply not feasible.

HB 98 addresses the chasm between inheriting your home and being forced to sell it in order to cover the taxes. I was heartbroken to learn that a constituent of mine could not afford to pay \$50,000 in taxes to keep his inherited property. That injustice is what prompted me to introduce this legislation.

Why should inheriting property, one that you already reside in as your primary residence, receive less accommodation than federal and state lender assistance programs that prevent foreclosure for those that fall behind on their mortgage payments?

All of us are familiar with “income contingent” student loan repayment programs, where repayment is based on a person’s income. By doing so, the loan(s) are listed as current, protects your credit, alleviates the undue financial burden on the borrower, and importantly, prevents accelerated repayment provisions from kicking in.

Under this bill, beneficiaries of limited means—defined as individuals with an adjusted gross income of \$125,000 or less, or \$250,000 for joint filers or surviving spouses who are heads of household—may apply to the Register of Wills for an installment payment plan when paying the inheritance tax would otherwise require the sale of their home.

By allowing installment payments, HB 98 prevents forced sales and provides stability for families who are simply trying to remain in the homes they already occupy. This legislation ensures that inheriting a family home does not become a financial punishment for those of modest means.