

HOUSE BILL 739

Q7

4r1712
CF SB 602

By: **The Speaker and Delegates Hixson, F. Turner, Beidle, Bohanan, Branch, Bromwell, Cane, Cardin, Clagett, Clippinger, Conway, Davis, DeBoy, Dumais, Frick, Gaines, Gilchrist, Griffith, Gutierrez, Guzzone, Hammen, Haynes, Healey, Holmes, Howard, Hubbard, Ivey, James, Jameson, Jones, Kaiser, A. Kelly, Kramer, Lafferty, Lee, Malone, McHale, McIntosh, A. Miller, Mitchell, Murphy, Olszewski, Pendergrass, B. Robinson, Rudolph, Simmons, Stein, Stukes, Tarrant, Valderrama, Valentino-Smith, Vallario, Walker, ~~A. Washington~~, Wilson, ~~and Zucker~~ Zucker, Serafini, Afzali, Arentz, Aumann, Barve, Bates, Beitzel, Cluster, Dwyer, Eckardt, Elliott, Frank, George, Haddaway-Riccio, Hogan, Hough, Jacobs, Kipke, Krebs, McComas, McConkey, McDermott, McDonough, Myers, Norman, Otto, Parrott, Ready, Schuh, Schulz, Stocksdale, and Szeliga**

Introduced and read first time: February 3, 2014

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2014

CHAPTER _____

1 AN ACT concerning

2 **Maryland Estate Tax – Unified Credit**

3 FOR the purpose of altering the size of an estate required to file an estate tax return;
4 altering a certain limit on the unified credit used for determining the Maryland
5 estate tax; repealing a certain limit on the unified credit used for determining
6 the Maryland estate tax for decedents dying after a certain date; altering a
7 certain limitation on the amount of the Maryland estate tax; making a
8 conforming change; and generally relating to the Maryland estate tax.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 7-309(a)
12 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2010 Replacement Volume and 2013 Supplement)

2 BY repealing and reenacting, with amendments,
3 Article – Tax – General
4 Section 7–305(b) and 7–309(b)(1), (2), and (3) and (c)
5 Annotated Code of Maryland
6 (2010 Replacement Volume and 2013 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article – Tax – General**

10 7–305.

11 (b) If a federal estate tax return is not required to be filed but a federal
12 estate tax return would be required to be filed if the applicable exclusion amount
13 under § 2010(c) of the Internal Revenue Code were no greater than [\$1,000,000] THE
14 APPLICABLE EXCLUSION AMOUNT SPECIFIED UNDER § 7–309(B) OF THIS
15 SUBTITLE, the person who would be responsible for filing the federal estate tax return
16 shall complete, under oath, and file a Maryland estate tax return with the Comptroller
17 or the register 9 months after the date of the death of the decedent.

18 7–309.

19 (a) Notwithstanding an Act of Congress that repeals or reduces the federal
20 credit under § 2011 of the Internal Revenue Code, the provisions of this subtitle in
21 effect before the passage of the Act of Congress shall apply with respect to a decedent
22 who dies after the effective date of the Act of Congress so as to continue the Maryland
23 estate tax in force without reduction in the same manner as if the federal credit had
24 not been repealed or reduced.

25 (b) (1) Except as provided in paragraphs (2) through (8) of this subsection
26 and subsection (c) of this section, after the effective date of an Act of Congress
27 described in subsection (a) of this section, the Maryland estate tax shall be determined
28 using:

29 (i) the federal credit allowable by § 2011 of the Internal
30 Revenue Code as in effect before the reduction or repeal of the federal credit pursuant
31 to the Act of Congress; and

32 (ii) other provisions of federal estate tax law, **INCLUDING THE**
33 **APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX**, as
34 in effect on the date of the decedent's death.

1 1. \$1,000,000 FOR A DECEDENT DYING BEFORE
2 JANUARY 1, ~~2014~~ 2015;

3 2. ~~\$1,750,000~~ \$1,500,000 FOR A DECEDENT DYING
4 ON OR AFTER JANUARY 1, ~~2014~~ 2015, BUT BEFORE JANUARY 1, ~~2015~~ 2016;

5 3. ~~\$2,500,000~~ \$2,000,000 FOR A DECEDENT DYING
6 ON OR AFTER JANUARY 1, ~~2015~~ 2016, BUT BEFORE JANUARY 1, ~~2016~~ 2017;

7 4. ~~\$3,500,000~~ \$3,000,000 FOR A DECEDENT DYING
8 ON OR AFTER JANUARY 1, ~~2016~~ 2017, BUT BEFORE JANUARY 1, ~~2017~~ 2018;

9 5. \$4,000,000 FOR A DECEDENT DYING ON OR AFTER
10 JANUARY 1, 2018, BUT BEFORE JANUARY 1, 2019; AND

11 ~~5.~~ 6. THE APPLICABLE EXCLUSION AMOUNT
12 CORRESPONDING TO THE APPLICABLE UNIFIED CREDIT UNDER PARAGRAPH (1)
13 OR (2) OF THIS SUBSECTION FOR A DECEDENT DYING ON OR AFTER JANUARY 1,
14 ~~2017~~ 2019.

15 (c) (3) If the value of qualified agricultural property that passes from the
16 decedent to or for the use of a qualified recipient exceeds \$5,000,000, the Maryland
17 estate tax imposed on the Maryland estate of the decedent may not exceed the sum of:

18 (i) 16% of the amount by which the decedent's taxable estate,
19 excluding the value of all qualified agricultural property that passes from the decedent
20 to or for the use of a qualified recipient, exceeds [\$1,000,000] THE APPLICABLE
21 EXCLUSION AMOUNT SPECIFIED UNDER SUBSECTION (B) OF THIS SECTION; and

22 (ii) 5% of the amount by which the value of qualified
23 agricultural property that passes from the decedent to or for the use of a qualified
24 recipient exceeds \$5,000,000.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2014.