

HOUSE BILL 463

Q7
HB 522/16 – W&M

7lr0444

By: **Delegates Tarlau, Moon, Angel, Barron, Ebersole, Fennell, Lam, Luedtke, McCray, Morales, Pena–Melnyk, Platt, Queen, Sanchez, M. Washington, and P. Young**

Introduced and read first time: January 26, 2017
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Estate Tax – Unified Credit**

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

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 7–309(a)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2016 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 7–309(b)(1), (2), and (3)
16 Annotated Code of Maryland
17 (2010 Replacement Volume and 2016 Supplement)

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

20 **Article – Tax – General**

21 7–309.

22 (a) Notwithstanding an Act of Congress that repeals or reduces the federal credit
23 under § 2011 of the Internal Revenue Code, the provisions of this subtitle in effect before

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the passage of the Act of Congress shall apply with respect to a decedent who dies after the
2 effective date of the Act of Congress so as to continue the Maryland estate tax in force
3 without reduction in the same manner as if the federal credit had not been repealed or
4 reduced.

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

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

11 (ii) other provisions of federal estate tax law[, including the
12 applicable unified credit allowed against the federal estate tax,] as in effect on the date of
13 the decedent's death.

14 (2) Except as provided in paragraphs (3) through (8) of this subsection and
15 subsection (c) of this section, if the federal estate tax is not in effect on the date of the
16 decedent's death, the Maryland estate tax shall be determined using:

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

20 (ii) other provisions of federal estate tax law[, including the
21 applicable unified credit allowed against the federal estate tax,] as in effect on the date
22 immediately preceding the effective date of the repeal of the federal estate tax.

23 (3) (i) Notwithstanding any increase in the unified credit allowed
24 against the federal estate tax for decedents dying after 2003, the unified credit used for
25 determining the Maryland estate tax for a decedent [dying before January 1, 2019,] may
26 not exceed the applicable credit amount corresponding to an applicable exclusion amount,
27 within the meaning of § 2010(c) of the Internal Revenue Code, of:

28 1. \$1,000,000 for a decedent dying before January 1, 2015;

29 2. \$1,500,000 for a decedent dying on or after January 1,
30 2015, but before January 1, 2016;

31 3. \$2,000,000 for a decedent dying on or after January 1,
32 2016, but before January 1, 2017; **AND**

33 4. \$3,000,000 for a decedent dying on or after January 1,
34 2017[, but before January 1, 2018; and

1 5. \$4,000,000 for a decedent dying on or after January 1,
2 2018, but before January 1, 2019].

3 (ii) The Maryland estate tax shall be determined without regard to
4 any deduction for State death taxes allowed under § 2058 of the Internal Revenue Code.

5 (iii) Unless the federal credit allowable by § 2011 of the Internal
6 Revenue Code is in effect on the date of the decedent's death, the federal credit used to
7 determine the Maryland estate tax may not exceed 16% of the amount by which the
8 decedent's taxable estate, as defined in § 2051 of the Internal Revenue Code, exceeds:

9 1. \$1,000,000 for a decedent dying before January 1, 2015;

10 2. \$1,500,000 for a decedent dying on or after January 1,
11 2015, but before January 1, 2016;

12 3. \$2,000,000 for a decedent dying on or after January 1,
13 2016, but before January 1, 2017; **AND**

14 4. \$3,000,000 for a decedent dying on or after January 1,
15 2017[, but before January 1, 2018;

16 5. \$4,000,000 for a decedent dying on or after January 1,
17 2018, but before January 1, 2019; and

18 6. the applicable exclusion amount corresponding to the
19 applicable unified credit under paragraph (1) or (2) of this subsection for a decedent dying
20 on or after January 1, 2019].

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2017.