

same to the office of the Register of Wills to which the inventory of the personal estate is returnable, and within the same time and under like penalty, and he shall make oath that said inventory or inventories is or are a true and perfect inventory or inventories of all the real estate of the deceased, within this State, that has come to his knowledge, and that, should he thereafter discover any other real estate belonging to the deceased, in this State, he will return an additional inventory thereof.

237D. The inventory of the real estate shall be entirely separate and distinct from that of the personal estate, and a copy thereof shall be recorded in the office of the Register of Wills in each county wherein any real estate included in said inventory is situate.

SEC. 2. *And be it further enacted*, That Sections 112, 113 and 114 of Article 81 of the Annotated Code of Maryland (1939 Edition), title "Revenue and Taxes", sub-title "Inheritance Tax", be and the same are hereby renumbered as Sections 117, 118 and 119 of said Article, respectively.

SEC. 3. *And be it further enacted*, That Section 120 of Article 81 of the Annotated Code of Maryland (1939 Edition), title "Revenue and Taxes", sub-title "Inheritance Tax", be and the same is hereby repealed and re-enacted, with amendments, to read as follows:

120. When real estate shall be subject to said tax and shall pass directly to one or more heirs or devisees of the decedent, the tax shall be paid on the appraised value of said real estate as shown in the inventory thereof filed in the office of the Register of Wills of the county in which administration is granted. In the event said real estate shall be sold by the executor, either pursuant to a direction to sell contained in the will of the decedent or pursuant to a discretionary power and authority to sell contained in the will, or in the event said real estate is sold to pay debts of the decedent or to pay pecuniary legacies or for any other reason connected with the administration of the estate of the decedent, then said tax shall not be paid on the appraised value of said real estate but shall instead be paid on so much of the net proceeds of the sale thereof as is included in the distributive share of any heir, devisee, legatee or distributive of the decedent. In the event the said tax is paid on the appraised value of said real estate before the sale thereof and it should subsequently appear that the tax payable with respect to such portion of the proceeds of the sale thereof as is distributable to the persons hereinbefore named, is greater than the tax paid on the appraised value of said