

House Bill No. 506—Inheritance Tax

AN ACT to repeal and re-enact, with amendments, Section 151 of Article 81 of the Annotated Code of Maryland (1965 Replacement Volume), title "Revenue and Taxes," subtitle "Inheritance Tax," sub-heading "In General," to provide for the exemption from inheritance tax of the income received by an executor or administrator on which Maryland income tax has been paid or shall be payable by the distributee.

May 28, 1969.

Honorable Thomas Hunter Lowe
Speaker of the House of Delegates
State House
Annapolis, Maryland

Dear Mr. Speaker:

In accordance with Article II, Section 17, of the Maryland Constitution, I have today vetoed House Bill 506 and am returning it to you.

The purpose of this Bill was to remove the double taxation of income received by the estate of a decedent during administration. However, both the sponsor of the Bill, Delegate John A. Whitney, and the Comptroller of the Treasury have requested that I veto the Bill because of certain technical uncertainties and administrative difficulties in regard to it.

For the reasons given in the copies of the attached letters from the sponsor and the Comptroller, which are to be considered part of this message, I am complying with their requests to veto House Bill 506.

Sincerely,

/s/ MARVIN MANDEL,

Governor.

Letter from Comptroller—H.B. 506.

Honorable Marvin Mandel
Governor of Maryland
State House
Annapolis, Maryland

RE: H.B. 506

Dear Governor Mandel:

We wish to call your attention to the provisions of H.B. 506, which amends Article 81, Section 151 of the Annotated Code of Maryland and provides that income received by an Executor or Administrator, on which Maryland income tax has been paid by him or is payable by the distributee, shall be exempt from the Inheritance Tax.

From a careful reading of the Bill it appears that the intent of this legislation is to avoid double taxation by providing that where income earned during administration is subject to the Income Tax, it shall be exempt from any Inheritance Taxes.

We take no exception to the intent, but it is our feeling that the Bill as it is now worded would result in a chaotic situation inso-