

to ascertain since it would require the Executor or Administrator to make inquiries as to the personal status of the distributee, which is otherwise of no concern to him.

Each Register of Wills would be required to obtain a statement from an Executor or Administrator as to that portion of each amount being distributed which constituted income as opposed to corpus, and which was subject to the payment of Maryland income tax. No Register of Wills would have any means of verifying such a statement at the time Inheritance Taxes were payable.

The Income Tax Division of the Comptroller's Office would have no knowledge of any such transactions since Section 279 of Article 81(f) of the Code excludes from the definition of a fiduciary Executors or Administrators and consequently they are not required to file any reports with this office. The Comptroller's Office would be unable, at the time the Inheritance Tax was due, to ascertain whether or not income tax was payable on the amount of income distributed by the Executor or Administrator.

For these reasons we believe that this legislation should be subjected to study by the Legislative Council before becoming law.

With kindest personal regards and best wishes, I am

Very sincerely yours,

/s/ Louis L. Goldstein,

Comptroller.

HOUSE OF DELEGATES

Annapolis, Md., April 23, 1969.

Honorable Marvin Mandel
Governor of Maryland
Annapolis, Maryland 21404

Re: House Bill 506

My Dear Governor:

This bill is designed to eliminate the double taxation of income received by the estate of a decedent during administration. It was intended to accompany a change in the income tax law which would subject decedent's estates to the income tax by redefining a fiduciary to include an executor or administrator. These steps would complete the transition that began in 1967 with the adoption of the federal income tax base, which includes income distributed to an individual by an estate.

The change in the income tax law to redefine a fiduciary has not yet been passed by the Legislature. It seems desirable that a consistent set of changes should be made at the same time. Since the Henderson Commission is presently active in the general consideration of the taxation of estates and inheritances, I have concluded that it would be best not to permit this bill to become effective at this time. The Henderson Commission will then have an opportunity to consider this along with the rest of the broad field to which it is devoting its attention. This course of action will also have the advantage of avoiding certain technical uncertainties which exist in regard to the bill.