

CHAPTER 30

(Senate Bill 545)

AN ACT concerning

Inheritance Tax – Exemption for Property Passing to Family Partnership or Limited Liability Company

FOR the purpose of providing an exemption from the inheritance tax for certain property passing to or for the use of certain partnerships or limited liability companies consisting of certain family members; providing for the application of this Act; and generally relating to an exemption under the inheritance tax for certain property passing to or for the use of certain partnerships or limited liability companies consisting of certain family members.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 7-203(b)

Annotated Code of Maryland

(2004 Replacement Volume and 2005 Supplement)

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

Article – Tax – General

7-203.

(b) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Child” includes a stepchild or former stepchild.

(iii) “Parent” includes a stepparent or former stepparent.

(2) The inheritance tax does not apply to the receipt of property that passes from a decedent to or for the use of:

(i) a grandparent of the decedent;

(ii) a parent of the decedent;

(iii) a spouse of the decedent;

(iv) a child of the decedent or a lineal descendant of a child of the decedent;

(v) a spouse of a child of the decedent or a spouse of a lineal descendant of a child of the decedent;

(vi) a brother or sister of the decedent; or