

WHEREAS, Retention of the outdated, unfair, and unduly complex inheritance tax could cause Maryland to be viewed as having an unfriendly death tax system, potentially influencing personal as well as business location decisions and negatively affecting Maryland's business climate; and

WHEREAS, The impact to the State of discouraging individuals and businesses to locate in the State would go far beyond the loss of possible death tax revenues by negatively affecting the economic well being of the State; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Legislative Policy Committee of the General Assembly is urged to establish a joint committee of the Senate of Maryland and the House of Delegates to study the inheritance tax; and be it further

RESOLVED, That the joint committee include within the scope of its study at a minimum the following:

(1) The economic impact of retaining or repealing the inheritance tax, including the potential damage to the State's economy resulting from discouraging wealthy individuals to locate or remain in the State and the potential improvement of the business climate resulting from a fairer and less complex death tax system;

(2) The fairness and wealth redistribution qualities of the inheritance tax, including the burden of the tax across income classes and across inheritance tax rate classes, taking into account:

(i) the application of the pick-up estate tax to larger estates;

(ii) the double taxation of estate income under the income tax and inheritance tax; and

(iii) the use of legal tax avoidance techniques by larger estates to avoid payment of the inheritance tax; and

(3) The administrative costs to taxpayers and the State, including the Attorney General's Office as well as the Registers of Wills offices, of compliance with and collection and enforcement of the inheritance tax; and be it further

RESOLVED, That the joint committee report its findings and recommendations to the Senate Budget and Taxation Committee and the House Ways and Means Committee on or before December 31, 1994; and be it further

RESOLVED, That a copy of this Resolution be forwarded by the Department of Legislative Reference to the Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland and the Honorable Casper R. Taylor, Jr., Speaker of the House of Delegates.

Signed May 26, 1994.