

for payment of federal and Maryland estate taxes.

BY repealing and reenacting, without amendments,

Article - Tax - General

Section 7-308(a)(1) and (4) and (b)

Annotated Code of Maryland

(1988 Volume and 1994 Supplement)

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

**Article - Tax - General**

7-308.

(a) (1) In this section the following words have the meanings indicated.

(4) "Person interested in the estate" means any person who is entitled to receive or has received, from a decedent while alive or by reason of the death of a decedent, any property or interest in property included in the taxable estate of the decedent.

(b) The tax shall be apportioned among all persons interested in the estate. The apportionment shall be made in the proportion that the value of the interest of each person interested in the estate bears to the total value of the interests of all persons interested in the estate. The values used in determining the tax shall be used for that purpose.

SECTION 2. AND BE IT FURTHER ENACTED, That the references to "taxable estate" in § 7-308(a)(4) of the Tax - General Article and to "interest" and "interests" of a decedent in § 7-308(b) of the Tax - General Article do not include any interest of the decedent that is not included in the value of the decedent's taxable estate determined under §§ 2001(b)(1)(A) and 2051 of the Internal Revenue Code of 1986, and specifically do not include any adjusted taxable gifts of the decedent as defined in § 2001(b) of the Internal Revenue Code, notwithstanding any holding or dictum to the contrary in *Shepter v. Johns Hopkins University*, 334 Md. 82, 637 A. 2d, 1223 (1994).

SECTION 3. AND BE IT FURTHER ENACTED, That apportionment of a decedent's federal estate tax may not be made under § 7-308 of the Tax - General Article to any adjusted taxable gift of the decedent, as defined in § 2001(b) of the Internal Revenue Code.

SECTION 4. AND BE IT FURTHER ENACTED, That apportionment of a decedent's Maryland estate tax may not be made under § 7-308 of the Tax - General Article to any adjusted taxable gift of the decedent, as defined in § 2001(b) of the Internal Revenue Code.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1995 and shall be applicable to individuals dying on or after October 1, 1995.