

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 541.

This bill clarifies that real property and other property of less than \$100,000 in value jointly held in the names of a decedent and a surviving spouse are exempt from inheritance taxes when passed to or used by the surviving spouse.

Senate Bill 504, which was passed by the General Assembly and signed by me on May 18, 1995, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 541.

Sincerely,
Parris N. Glendening
Governor

House Bill No. 541

AN ACT concerning

Inheritance Tax - Surviving Spouse Exemption

FOR the purpose of clarifying that certain property that passes from a decedent for the use of the decedent's surviving spouse is subject to a certain exemption under the inheritance tax; clarifying the treatment of leasehold property under a certain exemption to the inheritance tax; and generally relating to a certain exemption under the inheritance tax for certain property that passes to or for the use of the surviving spouse of the decedent.

BY repealing and reenacting, with amendments,
Article - Tax - General
Section 7-203(j)
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

7-203.

(j) The inheritance tax does not apply to the receipt of property that passes from a decedent to OR FOR THE USE OF the surviving spouse of the decedent and is:

- (1) an interest in property that is held in the name of the decedent and the surviving spouse and passes by right of survivorship;
- (2) real property, INCLUDING LEASEHOLD PROPERTY; or
- (3) the first \$100,000 of property other than: