

time of the disqualification; providing for certain interest and penalty payments under certain circumstances; requiring the register of wills to issue a certain certificate that a disqualifying event has not occurred, under certain circumstances; specifying when a lien for unpaid inheritance tax arises and the duration of the lien if the unpaid tax is attributable to disqualification for the exemption; and generally relating to an elective exemption from the inheritance tax for certain real property used for farm or agricultural purposes that passes from a decedent to certain persons.

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 7-204(c) and 7-217(e)

Annotated Code of Maryland

(1988 Volume and 1995 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 7-211, 7-216(d), 7-221, and 13-806(b)(3)

Annotated Code of Maryland

(1988 Volume and 1995 Supplement)

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

Article – Tax – General

7-204.

(c) The inheritance tax rate is 1% of the clear value of:

(1) the 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 or other lineal descendant of the decedent;

(v) a stepparent or stepchild of the decedent; or

(vi) a corporation if all of its stockholders consist of the surviving spouse, parents, stepparents, stepchildren, lineal descendants of the decedent, and spouses of the lineal descendants; and

(2) the first \$2,000 that passes from the decedent, by survivorship, to a spouse of a lineal descendant of the decedent from savings accounts that the decedent and spouse of the lineal descendant held jointly.