

(1997 Replacement Volume and 1998 Supplement)

BY repealing and reenacting, with amendments,

Article - Estates and Trusts

Section 2-205(e)

Annotated Code of Maryland

(1991 Replacement Volume and 1998 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.

(a) In this section, "clear value" means fair market value minus expenses.

(b) Except as provided in ~~subsection (e)~~ SUBSECTIONS (C) AND (E) ~~SUBSECTIONS (C) AND (D)~~ of this section, the inheritance tax rate is ~~10%~~ 5% 8% of the clear value of the property that passes from a decedent.

(c) The inheritance tax rate is ~~1%~~ 0.9% 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, AND 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.

~~(D) FOR DECEDENTS DYING BEFORE JULY 1, 2003, EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE INHERITANCE TAX RATE IS:~~

~~(1) FOR DECEDENTS DYING ON OR AFTER JULY 1, 1990, BUT BEFORE JULY 1, 2000, 0% OF THE CLEAR VALUE OF THE PROPERTY THAT PASSES FROM THE DECEDENT;~~

~~(2) FOR DECEDENTS DYING ON OR AFTER JULY 1, 2000, BUT BEFORE JULY 1, 2001, 8% OF THE CLEAR VALUE OF THE PROPERTY THAT PASSES FROM THE DECEDENT;~~