

- (3) the first \$100,000 of property other than:
 - (i) real property, including leasehold property; or
 - (ii) an interest in property that passes by right of survivorship.]

7-204.

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

(b) ~~Except as provided in [subsections (c) and (e)]~~ SUBSECTION (D) of this section, the THE inheritance tax rate is 10% of the clear value of the property that passes from a decedent.

[(c) The inheritance tax rate is 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)] (C) If a decedent died on or before May 31, 1975, the rate of the inheritance tax is the rate in effect on the date of the decedent's death.

~~[(e)] (D) The inheritance tax rate for property that passes from a decedent to or for the use of a brother or sister of the decedent is:~~

~~(1) 8% of the clear value of the property for decedents dying on or after July 1, 1999 but before July 1, 2000;~~

~~(2) 6% of the clear value of the property for decedents dying on or after July 1, 2000 but before July 1, 2001; and~~

~~(3) 5% of the clear value of the property for decedents dying on or after July 1, 2001.~~

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 7-203(k) and (l), respectively, of Article - Tax - General of the Annotated Code of Maryland be renumbered to be Section(s) 7-203(j) and (k), respectively.