

HOUSE BILL 1374

Q7

8lr2622

By: **Delegate McMillan**

Introduced and read first time: February 9, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Inheritance Tax – Exemption – Nieces and Nephews**

3 FOR the purpose of providing an exemption from the inheritance tax for property that
4 passes from a decedent to or for the use of a niece or nephew of the decedent; and
5 generally relating to exemptions from the inheritance tax.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 7–203(b)
9 Annotated Code of Maryland
10 (2016 Replacement Volume and 2017 Supplement)

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

13 **Article – Tax – General**

14 7–203.

15 (b) (1) (i) In this subsection the following words have the meanings
16 indicated.

17 (ii) “Child” includes a stepchild or former stepchild.

18 (iii) “Parent” includes a stepparent or former stepparent.

19 (iv) “Surviving spouse” means a surviving spouse who has not
20 remarried.

21 (2) The inheritance tax does not apply to the receipt of property that passes
22 from a decedent to or for the use of:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (i) a grandparent of the decedent;
- 2 (ii) a parent of the decedent;
- 3 (iii) a spouse of the decedent;
- 4 (iv) a child of the decedent or a lineal descendant of a child of the
5 decedent;
- 6 (v) a spouse of a child of the decedent or a spouse of a lineal
7 descendant of a child of the decedent;
- 8 (vi) a surviving spouse of a deceased child of the decedent or of a
9 deceased lineal descendant of a child of the decedent who was married to the child or lineal
10 descendant of the child at the time of the child's or lineal descendant's death;
- 11 (vii) a brother or sister of the decedent; [or]
- 12 (viii) **A NIECE OR NEPHEW OF THE DECEDENT; OR**
- 13 **(IX)** a corporation, partnership, or limited liability company if all of
14 its stockholders, partners, or members consist of individuals specified in items (i) through
15 **[(vii)] (VIII)** of this paragraph.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2018.