

Chapter 674

(House Bill 443)

AN ACT concerning

Inheritance Tax – Exemption – Surviving Spouses of Predeceasing Descendants

FOR the purpose of providing an exemption from the inheritance tax for certain property that passes from a decedent to or for the use of a surviving spouse of a deceased child or of a deceased lineal descendant of a child of the decedent under certain circumstances; altering a certain definition; providing for the application of this Act; and generally relating to an exemption from the inheritance tax for certain property that passes from a decedent to or for the use of a surviving spouse of a deceased child or a deceased lineal descendant of a child of the decedent.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 7–203(b)
Annotated Code of Maryland
(2004 Replacement Volume and 2009 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.

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

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

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

(IV) “SURVIVING SPOUSE” MEANS A SURVIVING SPOUSE WHO HAS NOT REMARRIED.

(2) The inheritance tax does not apply to the receipt of 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 of the decedent or a lineal descendant of a child of the decedent;
- (v) a spouse of a child of the decedent or a spouse of a lineal descendant of a child of the decedent;

(VI) A SURVIVING SPOUSE OF A DECEASED CHILD OF THE DECEDENT OR OF A DECEASED LINEAL DESCENDANT OF A CHILD OF THE DECEDENT WHO WAS MARRIED TO THE CHILD OR LINEAL DESCENDANT OF THE CHILD AT THE TIME OF THE CHILD’S OR LINEAL DESCENDANT’S DEATH;

[(vi)] (VII) a brother or sister of the decedent; or

[(vii)] (VIII) a corporation, partnership, or limited liability company if all of its stockholders, partners, or members consist of individuals specified in items (i) through [(vi)] (VII) of this paragraph.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010, and shall be applicable to all decedents dying on or after July 1, 2010.

Approved by the Governor, May 20, 2010.