

# HOUSE BILL 17

N2, Q7

(6lr1295)

## ENROLLED BILL

— Judiciary/Judicial Proceedings —

Introduced by ~~Delegate Cardin~~ Delegates Cardin, Conaway, McComas, Simmons, Williams, and Woods

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Estates and Trusts – Venue for Administrative and Judicial Probate and**  
3 **Application of Inheritance Tax**

4 FOR the purpose of altering certain criteria for determining the venue for administrative  
5 or judicial probate of decedents who were not domiciled in the State; providing that,  
6 for purposes of the application of the Maryland inheritance tax, the situs of  
7 intangible personal property is the domicile of the decedent; repealing a certain  
8 exemption from the Maryland inheritance tax for personal property that passes from  
9 a nonresident decedent; applying certain provisions of this Act retroactively; and  
10 generally relating to administrative and judicial probate of decedents' estates and  
11 the Maryland inheritance tax.

12 BY repealing and reenacting, with amendments,  
13 Article – Estates and Trusts

---

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber/conference committee amendments.



1 Section 5–103  
2 Annotated Code of Maryland  
3 (2022 Replacement Volume and 2025 Supplement)

4 BY repealing and reenacting, with amendments,  
5 Article – Tax – General  
6 Section 7–202 and 7–203  
7 Annotated Code of Maryland  
8 (2022 Replacement Volume and 2025 Supplement)

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

11 **Article – Estates and Trusts**

12 5–103.

13 (a) The venue for administrative or judicial probate is in:

14 **(1) IF THE DECEDENT WAS DOMICILED IN THE STATE**, the county in  
15 which the decedent was domiciled at the time of death[, or, if];

16 **(2) IF** the decedent was not domiciled in [Maryland] **THE STATE BUT WAS**  
17 **DOMICILED IN THE UNITED STATES**, the county in which the petitioner believes the  
18 largest part in value of the property of the decedent in [Maryland] **THE STATE** was located  
19 at the time of death; ~~OR~~

20 **(3) IF THE DECEDENT WAS NOT DOMICILED IN THE STATE BUT**  
21 **PREVIOUSLY RESIDED IN THE STATE AND WAS NOT DOMICILED IN THE UNITED**  
22 **STATES, THE COUNTY IN WHICH THE PETITIONER BELIEVES THE DECEDENT LAST**  
23 **RESIDED IN THE STATE;**

24 **(4) IF THE DECEDENT WAS NOT DOMICILED IN THE STATE AND HAD**  
25 **NOT PREVIOUSLY RESIDED IN THE STATE AND WAS NOT DOMICILED IN THE UNITED**  
26 **STATES, THE COUNTY IN WHICH THE PETITIONER BELIEVES:**

27 **(I) THE LARGEST PART IN VALUE OF THE PROPERTY OF THE**  
28 **DECEDENT IN THE STATE WAS LOCATED AT THE TIME OF DEATH;**

29 **(II) ANY CAUSE OF ACTION IN FAVOR OF THE DECEDENT AROSE;**

30 **(III) THE PERSONAL REPRESENTATIVE RESIDES OR HAS THE**  
31 **PERSONAL REPRESENTATIVE’S PRINCIPAL PLACE OF BUSINESS;**

1 (IV) ONE OR MORE INTERESTED PERSONS, LEGATEES, HEIRS,  
2 OR BENEFICIARIES RESIDE; OR

3 (V) A FINANCIAL INSTITUTION THAT IS SUBJECT TO THE  
4 JURISDICTION OF THE STATE WITH WHICH THE DECEDENT HAD A CONTRACTUAL  
5 AGREEMENT MAY BE SUED; OR

6 (5) IF ITEMS (1) THROUGH (4) OF THIS SUBSECTION DO NOT APPLY,  
7 THE COUNTY WHICH THAT THE REGISTER, ORPHANS' COURT, OR OTHER GOVERNING  
8 ENTITY HAS DETERMINED IS NECESSARY, REASONABLE, OR IN THE INTEREST OF  
9 JUSTICE.

10 (b) (1) For the purpose of determining venue for the administration of the  
11 estate of a decedent [who was not domiciled in Maryland at the time of death] DESCRIBED  
12 UNDER SUBSECTION ~~(A)(2) OR (3), (4), OR (5)~~ OF THIS SECTION, the situs of REAL  
13 PROPERTY AND tangible personal property is its location.

14 (2) (i) The situs of intangible personal property is the location of the  
15 instrument evidencing a debt, obligation, stock, or chose in action.

16 (ii) If there is no instrument, the residence of the debtor governs.

17 (III) THE SITUS OF INTANGIBLE PERSONAL PROPERTY IS NOT  
18 ALTERED BY THE OPENING OF AN ESTATE OF A DECEDENT DESCRIBED UNDER  
19 SUBSECTION ~~(A)(2)~~ (A)(2), (3), (4), OR (5) OF THIS SECTION.

20 (3) The situs of an interest in property held in trust is any county where  
21 the trustee may be sued.

22 (c) (1) Probate proceedings concerning a decedent may not be maintained in  
23 more than one county.

24 (2) If a proceeding is commenced in more than one county, the court of the  
25 county where proceedings are filed first has exclusive jurisdiction to determine venue.

26 (3) If proper venue is finally determined to be in another county, the  
27 proceeding, including a will, petition, or any other paper filed, shall be transferred to the  
28 proper court.

29 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
30 as follows:

31 **Article – Tax – General**

32 7–202.

1           (A) Except as provided in § 7–203 of this subtitle, a tax is imposed on the privilege  
2 of receiving property that passes from a decedent and has a taxable situs in the State.

3           **(B) FOR PURPOSES OF THIS SUBTITLE, THE SITUS OF INTANGIBLE**  
4 **PERSONAL PROPERTY IS THE DOMICILE OF THE DECEDENT.**

5 7–203.

6           (a) The inheritance tax does not apply to the receipt of an annuity or other  
7 payment under a public or private employees' pension or benefit plan if the annuity or other  
8 payment is not taxable for federal estate tax purposes.

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

11                           (ii) "Child" includes a stepchild or former stepchild.

12                           (iii) "Parent" includes a stepparent or former stepparent.

13                           (iv) "Surviving spouse" means a surviving spouse who has not  
14 remarried.

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

17                           (i) a grandparent of the decedent;

18                           (ii) a parent of the decedent;

19                           (iii) a spouse of the decedent;

20                           (iv) a child of the decedent or a lineal descendant of a child of the  
21 decedent;

22                           (v) a spouse of a child of the decedent or a spouse of a lineal  
23 descendant of a child of the decedent;

24                           (vi) a surviving spouse of a deceased child of the decedent or of a  
25 deceased lineal descendant of a child of the decedent who was married to the child or lineal  
26 descendant of the child at the time of the child's or lineal descendant's death;

27                           (vii) a brother or sister of the decedent; or

1 (viii) a corporation, partnership, or limited liability company if all of  
2 its stockholders, partners, or members consist of individuals specified in items (i) through  
3 (vii) of this paragraph.

4 (c) The inheritance tax does not apply to the receipt of the first \$500 of property  
5 that passes from a decedent under a will for the perpetual upkeep of graves.

6 (d) The inheritance tax does not apply to the receipt of the proceeds of a life  
7 insurance policy payable to any beneficiary other than the estate of the insured.

8 (e) The inheritance tax does not apply to the receipt of property that passes from  
9 a decedent to or for the use of an organization that is exempt from taxation under § 501(c)(3)  
10 of the Internal Revenue Code or to which transfers are deductible under § 2055 of the  
11 Internal Revenue Code if the organization:

12 (1) is incorporated under the laws of this State;

13 (2) conducts a substantial part of all its activities in this State or in the  
14 District of Columbia; or

15 (3) has its principal place of business in a jurisdiction whose law:

16 (i) does not impose death taxes on the receipt of property that passes  
17 from a decedent to a beneficiary of this State that is exempt from taxation under § 501(c)(3)  
18 of the Internal Revenue Code or to which transfers are deductible under § 2055 of the  
19 Internal Revenue Code; or

20 (ii) contains a reciprocal exemption from death taxes similar to the  
21 exemption allowed in this subsection.

22 (f) [(1) Except as provided in paragraph (2) of this subsection, the inheritance  
23 tax does not apply to the receipt of personal property that passes from a nonresident  
24 decedent if, at the time of death, the decedent is a resident of a state or foreign country  
25 whose law, on the date of the decedent's death:

26 (i) does not impose death taxes on the receipt of similar personal  
27 property of a resident of this State; or

28 (ii) contains a reciprocal exemption from death taxes similar to the  
29 exemption allowed under this subsection.

30 (2) The exemption under paragraph (1) of this subsection does not include  
31 the receipt of tangible personal property that has a taxable situs in this State.

32 (g) The inheritance tax does not apply to the receipt of property that passes from  
33 a decedent to any 1 person if the total value of the property does not exceed \$1,000.

1           **[(h)] (G)**       The inheritance tax does not apply to the receipt of property that is  
2 distributed from an estate that qualifies under § 5–601 of the Estates and Trusts Article  
3 for administration as a small estate.

4           **[(i)] (H)**       The inheritance tax does not apply to the receipt of property that passes  
5 from a decedent to the State, a county, or a municipal corporation of the State.

6           **[(j)] (I)**       The inheritance tax does not apply to the receipt of property that is  
7 income, including gains and losses, accrued on probate assets after the date of death of the  
8 decedent.

9           **[(k)] (J)**       (1)    (i)     In this subsection the following words have the meanings  
10 indicated.

11                           (ii)    “Holocaust victim” means an individual who died or lost property  
12 as a result of discriminatory laws, policies, or actions targeted against discrete groups of  
13 individuals based on race, religion, ethnicity, sexual orientation, or national origin, whether  
14 or not the individual was actually a member of any of those groups, or because the  
15 individual assisted or allegedly assisted any of those groups, between January 1, 1929 and  
16 December 31, 1945, in the country of Nazi Germany, areas occupied by Nazi Germany,  
17 those European countries allied with Nazi Germany, areas occupied by those European  
18 countries allied with Nazi Germany, or any other neutral European country or area in  
19 Europe under the influence or threat of invasion by Nazi Germany or by any European  
20 country allied with or occupied by Nazi Germany.

21                           (iii)   “Nazi Germany” means:

22                                   1.     for the period from 1929 to 1933, the Republic of Germany,  
23 commonly referred to as the Weimar Republic; and

24                                   2.     for the period from 1933 through 1945, Deutsche Reich.

25           (2)    The inheritance tax does not apply to the receipt of property that is:

26                           (i)     tangible or intangible property or compensation for tangible or  
27 intangible property that was seized, misappropriated, or lost as a result of the actions or  
28 policies of Nazi Germany toward a Holocaust victim; or

29                           (ii)    amounts received by a decedent as reparations or restitution for  
30 the loss of liberty or damage to the health of the decedent because the decedent was:

31                                   1.     a Holocaust victim; or

32                                   2.     a spouse or descendant of a Holocaust victim.

1           (3)    The exclusion under paragraph (2) of this subsection includes interest  
2 on the proceeds receivable as insurance under policies issued by European insurance  
3 companies prior to and during World War II to a Holocaust victim.

4           (4)    The exclusion under paragraph (2) of this subsection does not include:

5                   (i)    assets acquired with the assets described in paragraph (2) of this  
6 subsection; or

7                   (ii)   assets acquired with the proceeds from the sale of the assets  
8 described in paragraph (2) of this subsection.

9           (5)    The subtraction under paragraph (2)(i) of this subsection shall only  
10 apply if the decedent:

11                   (i)    was the first recipient of the assets described in paragraph (2)(i)  
12 of this subsection after their recovery; and

13                   (ii)   was:

14                           1.    a Holocaust victim; or

15                           2.    a spouse or descendant of a Holocaust victim.

16           **[L] (K)**   (1)   (i)    In this subsection the following words have the meanings  
17 indicated.

18                   (ii)   “Domestic partner” means an individual with whom another  
19 individual has established a domestic partnership.

20                   (iii)  “Domestic partnership” means a relationship between two  
21 individuals that is a domestic partnership:

22                           1.    under § 6–101(a) of the Health – General Article; or

23                           2.    registered in accordance with § 2–214 of the Estates and  
24 Trusts Article.

25           (2)    If the domestic partner of a decedent provides the affidavit described in  
26 § 6–101(b)(1) of the Health – General Article or any two of the proofs of domestic  
27 partnership listed under § 6–101(b)(2) of the Health – General Article, the inheritance tax  
28 does not apply to the receipt of an interest in a joint primary residence that:

29                   (i)    at the time of death was held in joint tenancy by the decedent  
30 and the domestic partner; and

31                   (ii)   passes from the decedent to or for the use of the domestic partner.

1           (3) For a domestic partnership registered in accordance with § 2–214 of the  
2 Estates and Trusts Article, the inheritance tax does not apply to the receipt of property  
3 that passes from the decedent to or for the use of the domestic partner of the decedent.

4           [(m)] (L) (1) (i) In this subsection the following words have the meanings  
5 indicated.

6                           (ii) “Farming purposes” has the meaning stated in § 2032A(e)(5) of  
7 the Internal Revenue Code.

8                           (iii) “Perpetual conservation easement” means an easement on real  
9 property that perpetually restricts the use of the real property to farming purposes.

10           (2) The inheritance tax does not apply to the receipt of real property that  
11 is subject to a perpetual conservation easement and passes from a decedent to or for the  
12 use of a niece or nephew of the decedent.

13           (3) (i) The inheritance tax shall be recaptured as provided in this  
14 paragraph if the real property that is excluded under paragraph (2) of this subsection ceases  
15 to be used for farming purposes.

16                           (ii) The amount of the inheritance tax imposed under this paragraph  
17 shall be the inheritance tax that would have been payable at the time of the decedent’s  
18 death but for the provisions under paragraph (2) of this subsection.

19           SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be  
20 construed to apply retroactively and shall be applied to and interpreted to affect estates  
21 opened on or after July 1, 2026.

22           SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be  
23 applicable to all decedents dying on or after July 1, 2026.

24           SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
25 1, 2026.