

FOR the purpose of clarifying and correcting certain provisions of the inheritance tax law made obsolete as a result of the exemption from the inheritance tax for certain relatives of a decedent and the repeal of the lineal inheritance tax rate; clarifying the applicability of the inheritance tax under certain circumstances when property passes to spouses as tenants by the entireties; clarifying the applicability of the inheritance tax under certain circumstances when an application to prepay the tax on a subsequent interest is filed; repealing certain provisions relating to an elective inheritance tax exemption for certain farmland passing to certain relatives of a decedent; providing for the application of this Act; and generally relating to clarifying and correcting certain provisions of the inheritance tax law made obsolete as a result of the exemption from the inheritance tax for certain relatives of a decedent and the repeal of the lineal inheritance tax rate.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 7-209(c), 7-210(d), 7-211, and 7-221

Annotated Code of Maryland

(1997 Replacement Volume and 2000 Supplement)

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

**Article - Tax - General**

7-209.

(c) (1) If an absolute interest in property passes from a decedent to 2 or more persons as tenants by the entireties:

(i) the value of the interest that passes to each tenant is determined by dividing the value of the entire value of the absolute interest in the property by the number of tenants to whom the absolute interest in the property passes; and

(ii) the tenants by the entireties are jointly and severally liable for the entire inheritance tax.

(2) When property passes from a decedent to a husband and wife as tenants by the entireties and only 1 spouse is entitled to the [lineal inheritance tax rate under § 7-204(c)] EXEMPTION UNDER § 7-203(B) of this subtitle, [that rate] THE EXEMPTION applies to 50% of the value of the property, and the [collateral tax rate under § 7-204(b) of this subtitle] INHERITANCE TAX applies to the other 50%.

7-210.

(d) (1) If the [collateral inheritance tax rate under § 7-204(b) of this subtitle] INHERITANCE TAX applies to 1 OR MORE of the persons by or for whom an application to prepay the inheritance tax is filed under § 7-219 of this subtitle and the [lineal tax rate under § 7-204(c)] EXEMPTION UNDER § 7-203(B) of this subtitle