

Approved! Estate Tax Exemption in MD to Increase

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MD Governor Approves Increase in MD Estate Tax Exemption and MD Trust Act

Today, May 15, 2014, HB0739 (Maryland Estate Tax – Unified Credit) and HB0083 (Maryland Trust Act) were approved by the Maryland Governor.

The former, which increases the Maryland Estate Tax incrementally over the next several years (see Will the Estate Tax Exemption in MD Increase?), was enacted as Chapter 612.

The latter, which revises and clarifies important provisions of law relating to trusts, and addresses important issues including, but not limited, to those directly below, was enacted as Chapter 585:

Issues addressed by the Maryland Trust Act include:

- definition of terms under the Act;
- rules regarding notice and a person's knowledge of a fact;
- determination of the principal place of administration of a trust and transfer of the principal place of administration of a trust to another state or a jurisdiction outside of the United States;
- rights of certain persons and organizations as qualified beneficiaries (specified distributees or permissible distributees of trust income or principal) of specified trusts;
- court jurisdiction over a trust;
- rules regarding representation of others in relation to trusts;
- creation, validity, modification, and termination of a trust;
- claims of creditors against parties to a trust;
- rules relating to revocable trusts;
- rules applicable to the position of trustee (e.g., acceptance of trusteeship, actions of cotrustees, vacancy in a trusteeship, resignation, removal, commissions, etc.);
- duties and powers of a trustee;
- duties and powers of an advisor to a trustee; and
- liability of a trustee and protection from liability of persons dealing with a trustee.

Additional information can be accessed from the Web site of the General Assembly of Maryland (<http://mgaleg.maryland.gov/webmga/frm1st.aspx?tab=home>).