

MD Leaders in Favor of Reducing State Estate Taxes

Certain Maryland Assembly leaders strongly support recoupling Maryland's estate tax with the federal government. Currently, Maryland estates worth more than \$1 million are taxed by the State, while the federal government exempts the first \$5.34 million of estates.

Comptroller Peter Franchot has also expressed support for the change, publicly voicing his opinion that "the large gap between Maryland and the federal estate tax exemption creates inconsistencies for family planning and an uncompetitive environment with neighboring states."

The hearing on HB186 (entitled "Estate Tax – Recoupling With Federal Law,") sponsored by Republican Delegate Susan Krebs, but drawing support across party lines, will take place on February 4, 2014 before the House Ways and Means Committee. Delegate Krebs is also sponsoring HB184 (entitled "Estate and Inheritance Taxes – Repeal") which would repeal the Maryland estate tax and the Maryland inheritance tax (which is imposed at a rate of 10 percent on transfers from a decedent to certain beneficiaries including, but not limited to, nieces, nephews, friends and partners). The hearing on HB184 is also expected to take place on February 4, 2014.

The proposed legislation is said to reflect a movement in Annapolis toward making the State more business-friendly.