

SB0646/709133/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 646
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, after “date;” insert “providing that, for the calculation of the Maryland estate tax in the case of a certain decedent spouse, the applicable exclusion amount includes the sum of a certain exclusion amount and a certain deceased spousal unused exclusion amount; providing that a certain deceased spousal unused exclusion amount may not be taken into account except under certain circumstances; defining a certain term;”; and after line 17, insert:

“BY adding to

Article - Tax - General

Section 7-309(b)(9)

Annotated Code of Maryland

(2016 Replacement Volume and 2017 Supplement)”.

On page 2, in lines 6 and 15, in each instance, strike “(8)” and substitute “**(9)**”.

AMENDMENT NO. 2

On page 3, in line 4, after “**2019**” insert “**, PLUS ANY DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT CALCULATED IN ACCORDANCE WITH PARAGRAPH (9) OF THIS SUBSECTION**”; and in line 22, after “2019” insert “**, PLUS ANY DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT CALCULATED IN ACCORDANCE WITH PARAGRAPH (9) OF THIS SUBSECTION**”.

AMENDMENT NO. 3

On page 3, after line 22, insert:

(Over)

“(9) (I) IN THIS PARAGRAPH, “DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT” MEANS THE APPLICABLE EXCLUSION AMOUNT IN EFFECT AT THE TIME OF THE DEATH OF THE LAST PREDECEASED SPOUSE OF THE DECEDENT UNDER PARAGRAPH (3) OF THIS SUBSECTION REDUCED BY THE TAXABLE ESTATE OF THE LAST PREDECEASED SPOUSE:

1. AS REPORTED ON A MARYLAND ESTATE TAX RETURN FILED WITH THE COMPTROLLER; OR

2. AS REPORTED ON A FEDERAL ESTATE TAX RETURN, IF THE LAST PREDECEASED SPOUSE WAS NOT A MARYLAND RESIDENT AND NO PROPERTY WITH A MARYLAND ESTATE TAX SITUS WAS INCLUDIBLE IN THE GROSS ESTATE OF THE LAST PREDECEASED SPOUSE.

(II) THE DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT MAY NOT BE TAKEN INTO ACCOUNT UNDER PARAGRAPH (3) OF THIS SUBSECTION UNLESS:

1. IF THE LAST PREDECEASED SPOUSE DIED ON OR AFTER JANUARY 1, 2019, A MARYLAND ESTATE TAX RETURN IS TIMELY FILED FOR THE LAST PREDECEASED SPOUSE, ON WHICH THE DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT IS CALCULATED AND AN IRREVOCABLE ELECTION IS MADE THAT THE DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT MAY BE TAKEN INTO ACCOUNT; OR

2. IF THE LAST PREDECEASED SPOUSE DIED BEFORE JANUARY 1, 2019, OR WAS NOT A MARYLAND RESIDENT AND NO PROPERTY WITH A MARYLAND ESTATE TAX SITUS WAS INCLUDIBLE IN THE GROSS ESTATE OF THE LAST PREDECEASED SPOUSE, AN ELECTION WAS MADE UNDER § 2010(C) OF THE

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**INTERNAL REVENUE CODE ON THE FEDERAL ESTATE TAX RETURN OF THE LAST
PREDECEASED SPOUSE.**