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The Honorable Guy Guzzone, Chair
Budget and Taxation Committee
Miller Senate Office Building, 3 West
Annapolis, MD 21401

OPPOSE (UNFAV) – SB 432 – Inheritance Tax - Repeal

Dear Chair Guzzone and Committee Members:

My name is Alexis Burrell-Rohde. I am the Register of Wills for Baltimore County and testifying in opposition to Senate Bill 432.

In Fiscal Year 2022, my office took in close to \$23 million in inheritances tax revenue on behalf of the State of Maryland plus another \$1.55 million in probate fees. We used about \$4.2 million to run our office, almost entirely devoted to providing middle class jobs with great benefits and retirement, to the 43 individuals who work here. The remaining \$20.3 million was sent back to the State for discretionary use in the General Fund. If the inheritance tax is abolished, the State will lose \$20 million annually just from Baltimore County and just under \$90 million statewide while office would run a deficit of about \$3 million dollars. In order to continue serving the public in any meaningful capacity, this money would either draw from the General Fund or be made up by a new revenue source, which at this time is not on the table. Alternatively, with no new funding, our office would lay off no less than 30 middle class individuals sending them onto the rolls of State unemployment and Medicaid.

Under current law, the vast majority of individuals inheriting assets from probate and non-probate estates in Maryland pay no inheritance or estate taxes whatsoever. All lineal descendants, such as parents, children, siblings, grandchildren, grandparents, and great grandchildren, including spouses, are exempt from all inheritance taxes. Non-lineal descendants, typically friends, cousins, nieces, nephews, aunts and uncles, pay 10% of the inherited assets. This revenue allows the Registers of Wills to run their offices and generates tens of millions in additional revenues to the State.

Statewide, 10% of individuals inheriting assets pay inheritances tax. Of these individuals, roughly half live out of state. Of the total inheritance taxes paid in Baltimore County in FY2022, 80% of the total inheritance tax burden was paid by less than 2% of our total estates – just over 100 estates. This means that repealing this tax is a gift to our very wealthiest individuals, many of whom live out of state.

Eliminating this tax, paid by very few Marylanders, would be a budgeting disaster while creating a windfall to ultra-wealthy non-Maryland residents. For these reasons, I respectfully recommend an unfavorable report on Senate Bill 432.

Best regards,

Alexis Burrell Rohde

Register of Wills for Baltimore County