



1999

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Recommended Citation

Bereano, Bryon S. (1999) "Recent Developments: House Bill 434: Estates & Trusts - Lien for Payment of Inheritance Tax," *University of Baltimore Law Forum*: Vol. 29 : No. 2 , Article 24.

Available at: <http://scholarworks.law.ubalt.edu/lf/vol29/iss2/24>

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HOUSE BILL 434: ESTATES & TRUSTS - LIEN FOR PAYMENT OF INHERITANCE TAX

By Bryon S. Bereano

On April 6, 1999, the Maryland General Assembly passed House Bill 434. The purpose behind the bill was to alter the duration of a lien for unpaid inheritance taxes on an estate administered by a foreign personal representative.

The House Bill faced no opposition, passing the Maryland House of Delegates on March 18, 1999 by a vote of 137-0 and passing the Maryland Senate by a vote of 46-0. The Bill was sponsored by Delegates Michael Finifter and Bobby Zurkin, both from Baltimore County.

House Bill 434 alters section 5-505 of the Estates and Trusts Article of the Annotated Code of Maryland. Section 5-505 provides for a lien against the property of an estate either when the inheritance tax has not been either paid or satisfaction is secured from the Register of Wills by a foreign personal representative of the estate. Under the current version of section 5-505, the lien against the property of the estate would last for a period of four years from the date of death of the decedent. As a result of House Bill 434, the four year time period for the lien is removed.

The removal of the four year time period for the lien by House Bill 434 is significant for the personal representative of an estate. Previously, a foreign personal representative of an estate had to concern themselves with the lien for only a four year period. With the four year period removed, however, a foreign personal representative cannot simply wait out the four year period. The lien no longer expires after four years. Now the property of the estate is subject to a lien for unpaid inheritance tax until either the money has been paid or satisfaction by the Register of Wills has been secured.

This Bill took effect on July 1, 1999.