To Lead, Advocate and Connect as the Voice of Business

House Bill 946: Maryland Estate Tax - Unified Credit

Ways and Means

March 6, 2019

SUPPORT

Last year, the Montgomery County Chamber of Commerce opposed the removal of the federal unified credit in calculating Maryland estate tax. The legislation undid a much-needed reform to the Maryland estate tax passed in 2014 which aligned, or 'recoupled', the State estate tax with the Federal estate tax over the course of a few years. The recoupling is necessary to attract, grow, and retain broader sources of tax revenue in Maryland. Unfortunately, that legislation passed and was put into law as Chapters 15 and 21 of 2018.

House Bill 946 repeals provisions of Chapters 15 and 21 of 2018 which specified that the value of the federal unified credit used to calculate the Maryland estate tax is equal to the amount corresponding to an applicable exclusion amount of $5.0 million.

The recoupling of the Maryland estate tax with the federal rate in 2014 did not do away with the estate tax levied at the state level, despite the fact than most states in the United States no longer have a separate estate tax of any kind for their residents. In fact, Maryland continues to be only one of two states with both an estate tax and an inheritance tax. This puts Maryland at a competitive disadvantage to many nearby jurisdictions and other attractive places to retire.

For these reasons, we request a **favorable report on House Bill 946.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our over 400 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

Tricia Swanson, Vice President, Government Relations
Montgomery County Chamber of Commerce
51 Monroe Street, Suite 1800 Rockville, MD 20850
301-738-0015 www.mcccmd.com