



USE THIS AREA FOR DATE STAMPS

DO NOT WRITE IN THIS AREA

Reference Numbers

Comptroller: _____

Register: _____

Revenue Administration Division
P.O. Box 828
Annapolis, MD 21404-0828

MARYLAND ESTATE TAX RETURN

To be used for decedents dying after December 31, 2016 and before January 1, 2018
Attach the Federal Estate Tax Return, Form 706. Please print or type.

- Original return, Surviving Spouse, Alternate Valuation, Refund claimed, Amended return, State-only QTIP, MD Qualified Ag Property Exclusion, Alternate payment plan requested

Federal estate tax return has been or will be filed with the IRS: Required, Portability election, Other

SECTION I

Decedent information: Nonresident (indicate Maryland county in which taxable property is located)

Form fields for decedent information: First name, Middle name, Last name, Social Security number, Address at date of death, City, County, State, ZIP code, Date of death, Due date of return, Extended due date of return

SECTION II

Person(s) responsible for filing the Maryland estate tax return:

Attach continuing schedule in same format, including signature, if there are more than three persons responsible for filing the return.

Form fields for persons responsible for filing: Name, Complete mailing address, Social Security number (repeated for up to three persons)

Attorney or contact person where correspondence should be sent:

Form fields for attorney/contact person: Name, Phone number, Address line 1, Address line 2, E-mail address, City, County, State, ZIP code

I authorize the Estate Tax Unit to contact me at the e-mail address indicated above if additional information is required. Note: official notices and closing letters will not be sent via e-mail.

Affidavit of person(s) responsible for filing the Maryland estate tax return:

Under the penalties of perjury, I certify that I have examined this return, including schedules and the federal Form 706, and that these documents are true, correct and complete to the best of my knowledge, information and belief.

Form fields for affidavit: Signature, Date (repeated for two persons)

SECTION III

Certification of Register of Wills:

I, _____ Register of Wills for _____
hereby certify that Maryland inheritance taxes totaling _____ have been paid as of _____ Date
Signed _____

Decedent information:

| | | | |
|------------|-------------|-----------|------------------------|
| First name | Middle name | Last name | Social Security number |
|------------|-------------|-----------|------------------------|

COMPUTATION OF MARYLAND ESTATE TAX
for estates of decedents dying after December 31, 2016 and before January 1, 2018

Do not write in this
area Comptroller's
use only

1. Federal total gross estate (from line 1, federal Form 706). \$ _____
2. Property for which a QTIP election was previously made on a form MET 1 filed for the estate of the decedent's pre-deceased spouse (to the extent not included in line 1) (from line 1 of Schedule C). . . . \$ _____
3. Augmented gross estate (add lines 1 and 2) \$ _____
4. Federal total allowable deductions (from line 2, federal Form 706). . . \$ _____
5. Maryland QTIP election this return (from line 1 of Schedule D) \$ _____
6. Total deductions (add lines 4 and 5) \$ _____
7. Maryland estate tax base (subtract line 6 from line 3).
Do not enter less than zero \$ _____
8. Subtract \$3,000,000 from line 7 and enter here (Do not enter less than zero) If line 8 is zero, skip lines 9 through 14 and enter zero on line 15 \$ _____
9. Multiply line 8 by 16% (.16) \$ _____

COMPLETE AND ATTACH MARYLAND SCHEDULE B FOR LINE 10

10. Allowable maximum credit for state death taxes (from line 13 of Schedule B) \$ _____

IF LINE 10 IS ZERO, OR IF ALL PROPERTY WITHIN THE AUGMENTED GROSS ESTATE HAS A MARYLAND TAX SITUS, SKIP TO LINE 13

11. Percentage of Maryland estate to augmented gross estate (Schedule A, line 27)

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

 %

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|
12. Maryland apportioned credit (line 11 times line 10) \$ _____
13. Gross Maryland estate tax liability (enter the lesser of lines 9, 10 and 12, whichever is applicable) \$ _____
14. a. Maryland inheritance tax paid \$ _____
b. Death tax paid to another state on assets also included in the Maryland estate \$ _____
c. Total (add lines 14a and 14b) \$ _____
15. Net Maryland estate tax (line 13 minus line 14c) \$ _____
16. a. Estimated tax previously remitted \$ _____
b. Maryland estate tax previously remitted (amended returns only) \$ _____
c. Total (add lines 16a and 16b) \$ _____
17. Maryland estate tax due or (overpayment) (line 15 minus line 16c) . . \$ _____
18. Interest charges \$ _____
19. Penalty charges \$ _____
20. Total balance due or (overpayment)(add lines 17, 18, and 19) \$ _____
21. Amount of overpayment to be refunded **REFUND** _____
22. Total balance due **Pay in full when filing this return** _____

SECTION IV

INSTRUCTIONS - SECTIONS I - IV OF MET 1

For estates of decedents dying after December 31, 2016 and before January 1, 2018

Indicate whether the return is an "original" filing or an "amended" return, whether there is a surviving spouse and if so, whether a Maryland QTIP is being claimed on Schedule D of the MET-1. Also indicate whether alternate valuation and/or the Maryland Qualified Agricultural Exclusion are being elected, if a refund is being claimed, and if an alternate payment plan is being requested. Finally, indicate if the federal return, Form 706, has been or will be filed with the Internal Revenue Service and whether that filing is being made (1) because the filing is required by law; (2) to elect to transfer the decedent's unused exclusion amount to the surviving spouse (portability); (3) for some other reason.

| | | | |
|--------------------|--|------------|--|
| Section I | Complete all of the information concerning the decedent. | Line 13 | If the augmented gross estate includes only Maryland property, enter the lesser of line 9 or line 10. If the augmented gross estate includes property in Maryland and outside the state, enter the lesser of line 9 or 12. The amount reported on line 13 is the gross Maryland estate tax liability. This amount must be satisfied by the due date of the return shown on page 1 to avoid interest and penalty. |
| Section II | Enter the information concerning all person(s) responsible for filing the return. Enter the information to indicate where correspondence should be sent. This is the individual the Comptroller will contact if additional information is required or if a deficiency/refund notice is necessary. The person(s) responsible for filing the return will be contacted in the event the contact person does not respond or if no contact person is listed. All person(s) responsible for filing the return must sign and date the return. | Line 14b | Enter the portion of any tax paid to another state or territory on property included in the Maryland estate shown on line 26 of Schedule A. You must provide evidence of payment and attach your computation of this credit. |
| Section III | This section will be completed by the Register of Wills after the return is received by the Comptroller. | Line 16a | Enter the total of any payments remitted as estimated payments with a filing extension or payments remitted in advance of the filing of the return. |
| Section IV | Computation of Maryland estate tax for estates of decedents dying after December 31, 2016. Complete the federal estate tax return, Form 706, for the year of the decedent's death, regardless of whether Form 706 is required to be filed with the Internal Revenue Service. Include the federal return, complete with all schedules, attachments and supporting documents when filing the Maryland estate tax return. The value of the property of the estate must be based upon fair market value/appraisals from Certified Appraisers. | Line 16b | Enter the total Maryland estate tax paid with previously filed returns. |
| Line 2 | Complete Schedule C and enter the value, as of the decedent's date of death (or alternate valuation date, if elected), of Maryland Qualified Terminable Interest Property (QTIP) for which an election was previously made on a Maryland estate tax return filed for the estate of the decedent's predeceased spouse. Do not include QTIP property that is already included in line 1. | Line 18 | Interest is assessed on any portion of the Maryland estate tax liability (line 13) that is not satisfied by the statutory due date on page 1 of the return. See Administrative Release #14 for the current interest rates. Interest is calculated from the due date to the date of payment. |
| Line 5 | If an election for Maryland Qualified Terminable Interest Property (QTIP) is being made in the current return, complete Schedule D and enter the total amount of Maryland QTIP on line 5 of the Maryland estate tax return. Note: Do not attempt to make a Maryland QTIP election on the pro forma Schedule M of federal Form 706; all Maryland QTIP elections must be made on Schedule D of the MET 1. | Line 19 | Late payment penalty of up to 10 percent is assessable on any portion of the Maryland estate tax (line 15) that is not satisfied by the statutory due date on page 1 of the return. A 25 percent non-compliance penalty is assessed for failure to comply with a notice and demand for the filing of the return within the time prescribed. A penalty of 25 percent of the amount of the underpayment of tax is assessed where the underpayment is attributable to any substantial estate tax valuation understatement and where the underpayment is greater than \$5,000. |
| Lines 11-12 | Apportionment of state death tax credit. If the augmented gross estate on line 3 includes only Maryland property, skip to line 13. If the augmented gross estate on line 3 includes Maryland property and property located outside the state of Maryland, complete Maryland Schedule A first. Then enter on line 11, the percentage of the Maryland estate from line 27 on Schedule A. Multiply line 11 times line 10 and enter the result on line 12. | Line 20-22 | Add lines 17, 18 and 19 and enter the total on line 20. If the total is a balance due, enter on line 22 and remit to the Comptroller with the remittance advice form. If the total is an overpayment, enter on line 21 the amount refundable. This may not exceed the total amount previously paid to the Comptroller. |

Decedent information:

| | | | |
|------------|-------------|-----------|------------------------|
| | | | |
| First name | Middle name | Last name | Social Security number |

SCHEDULE A

**Use this worksheet to report the portion of the estate not subject to Maryland estate tax
If the decedent died after December 31, 2016 and before January 1, 2018.**

Attach Schedule A to Form MET1, using additional pages if necessary.

For a Maryland decedent – Itemize the Real and Tangible Personal Property included in the augmented gross estate (line 3 of the Maryland Estate Tax Return), having situs outside of Maryland.

For a nonresident decedent – Itemize the Real and Tangible Personal Property included in the augmented gross estate (line 3 of the Maryland Estate Tax Return), having situs in Maryland.

| Item Number | Property description and location | Value used in augmented gross estate |
|-------------|-----------------------------------|--------------------------------------|
| | | |

23. Total \$ _____

Computation of percentage of Maryland estate to augmented gross estate

24. Augmented gross estate (from line 3) \$ _____

25. Portion of estate not subject to Maryland estate tax:

a. Maryland decedent (from line 23) \$ _____

OR

b. Nonresident decedent (line 24 minus line 23) \$ _____

26. Maryland estate (subtract line 25a or 25b from line 24) \$ _____

27. Percentage of Maryland estate to augmented gross estate
(line 26 divided by line 24) rounded to two decimal places

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

 %

Enter on line 11 of return.

Decedent information:

| | | | |
|------------|-------------|-----------|------------------------|
| | | | |
| First name | Middle name | Last name | Social Security number |

SCHEDULE B

**Use this schedule and worksheet to complete line 10, of the Maryland estate tax return
if the decedent died after December 31, 2016 and before January 1, 2018**

1. Maryland estate tax base (from line 7 Section IV of the Maryland Estate Tax Return) \$ _____
2. Less \$60,000 adjustment \$ (60,000.00)
3. Adjusted taxable estate (subtract line 2 from line 1) \$ _____

Complete lines 4-13 using table A from the Federal Form 706 Instructions and table B below to determine the allowable maximum credit for state death taxes for purpose of the Maryland estate tax.

| Table B - Computation of Maximum Credit for State Death Taxes | | | | | | | |
|--|-------------------------------------|--------------------------------|--|---|-----------------------------------|--------------------------------|--|
| (1) | (2) | (3) | (4) | (1) | (2) | (3) | (4) |
| Adjusted taxable estate equal to or more than - | Adjusted taxable estate less than - | Credit on amount in column (1) | Rate of credit on excess over amount in column (1) | Adjusted taxable estate equal to or more than | Adjusted taxable estate less than | Credit on amount in column (1) | Rate of credit on excess over amount in column (1) |
| | | | (Percent) | | | | (Percent) |
| 0 | \$40,000 | 0 | None | 2,040,000 | 2,540,000 | 106,800 | 8.0 |
| \$40,000 | 90,000 | 0 | 0.8 | 2,540,000 | 3,040,000 | 146,800 | 8.8 |
| 90,000 | 140,000 | \$400 | 1.6 | 3,040,000 | 3,540,000 | 190,800 | 9.6 |
| 140,000 | 240,000 | 1,200 | 2.4 | 3,540,000 | 4,040,000 | 238,800 | 10.4 |
| 240,000 | 440,000 | 3,600 | 3.2 | 4,040,000 | 5,040,000 | 290,800 | 11.2 |
| 440,000 | 640,000 | 10,000 | 4.0 | 5,040,000 | 6,040,000 | 402,800 | 12.0 |
| 640,000 | 840,000 | 18,000 | 4.8 | 6,040,000 | 7,040,000 | 522,800 | 12.8 |
| 840,000 | 1,040,000 | 27,600 | 5.6 | 7,040,000 | 8,040,000 | 650,800 | 13.6 |
| 1,040,000 | 1,540,000 | 38,800 | 6.4 | 8,040,000 | 9,040,000 | 786,800 | 14.4 |
| 1,540,000 | 2,040,000 | 70,800 | 7.2 | 9,040,000 | 10,040,000 | 930,800 | 15.2 |
| | | | | 10,040,000 | ----- | 1,082,800 | 16.0 |

4. Enter line 7, Section IV from the Maryland estate tax return \$ _____
5. Enter line 4 from the federal Form 706, adjusted taxable gifts \$ _____
6. Add lines 4 and 5 \$ _____
7. Tentative federal tax on the amount on line 6 using Table A from the Federal Form 706 instructions \$ _____
8. Total gift tax payable, from line 7 of the federal Form 706 \$ _____
9. Gross federal estate tax - subtract line 8 from line 7 \$ _____
10. Allowable unified credit of \$1,145,800 reduced by any adjustments reported on line 10 of the federal Form 706. Do not use Unified Credit from federal Form 706. \$ _____
11. Subtract line 10 from line 9 (do not enter less than zero) \$ _____
If line 11 is zero, STOP here and enter zero on line 10 of the Maryland estate tax return.
Otherwise, continue to line 12 of Schedule B.
12. Maximum credit for state death taxes. Calculate the credit using Table B above and the **Adjusted Taxable Estate** on line 3 of Schedule B and enter here \$ _____
13. Enter the lesser of line 11 or 12. This is the allowable maximum credit for state death taxes.
Enter on line 10 of the Maryland Estate Tax Return. \$ _____

Decedent information:

| | | | |
|------------|-------------|-----------|------------------------|
| First name | Middle name | Last name | Social Security number |
|------------|-------------|-----------|------------------------|

SCHEDULE C

Use this schedule and worksheet to complete line 2 of the Maryland Estate Tax Return and to report any Maryland State QTIP Trust Property for which an election was made on the decedent's predeceased spouse's Maryland estate tax return, if applicable.

The Maryland State QTIP Trust referred to on this Schedule C is the trust (or other property) for which a Maryland State QTIP election was made on a prior Maryland estate tax return filed by the estate of the decedent's predeceased spouse. If the assets of the Maryland State QTIP Trust are not included on the decedent's federal estate tax return (Form 706) because these assets were not subject to a federal QTIP election and thus are not includible in the decedent's federal gross estate, then the fair market value of such assets must be reported and included on this Schedule C. For each item of qualified terminable interest property entered below, attach a copy of the trust document (if applicable) and an appraisal of the fair market value of such property.

Identify below each trust to which this irrevocable election applies:

| | |
|---|-----|
| Name of Trust (or other property) | |
| Tax Identification Number of Trust | |
| Name of Decedent's former Spouse | |
| Date of Death of Decedent's former Spouse | SSN |
| Name and Address of Trustee(s) of Trust | |

If this election applies to an additional trust or trusts, attach a continuation schedule or additional sheets identifying each additional trust or property to which this election applies.

| Item Letter | Description of Maryland Qualified Terminable Interest Property | Amount (Fair Market Value) |
|-------------|--|-------------------------------|
| | | |

1. TOTAL (include on Line 2, Section IV of Maryland estate tax return) \$ _____

Decedent information:

| | | | |
|------------|-------------|-----------|------------------------|
| | | | |
| First name | Middle name | Last name | Social Security number |

SCHEDULE D

Use this schedule and worksheet to make certain elections and to complete line 5 of the Maryland estate tax return if the decedent died after December 31, 2016 and before January 1, 2018.

All Maryland Qualified Terminable Interest Property elections must be made on this Schedule D. Do not attempt to make a Maryland QTIP election on the pro forma Form 706.

Election To Deduct Qualified Terminable Interest Property For Maryland Estate Tax Purposes.

If a trust (or other property) meets the requirements of qualified terminable interest property under Internal Revenue Code §2056(b)(7), (other than the requirement that the election with respect to such property shall be made on a federal Form 706) and

- a. The trust or other property is listed on this Schedule D, and
- b. The value of the trust (or other property) is entered in whole or in part as a deduction on this Schedule D then unless the personal representative specifically identifies the trust (all or a fractional portion or percentage) or other property to be excluded from the election, the personal representative irrevocably elects to have such trust (or other property) treated as qualified terminable interest property under Tax-General §7-309(b)(5) of the Maryland Code. If less than the entire value of the trust (or other property) that the executor has included in the gross estate is entered as a deduction in this Schedule D, the personal representative shall be considered to have made an election only as to a fraction of the trust (or other property). The numerator of this fraction is equal to the amount of the trust (or other property) deducted in this Schedule D. The denominator is equal to the total value of the trust (or other property).
- c. Under Tax-General §7-309 of the Maryland Code, an election to treat property as marital deduction qualified terminable interest property on a timely filed Maryland Estate Tax Return shall be recognized for purposes of calculating the Maryland estate tax even if an inconsistent election is made for the same decedent for Federal estate tax purposes.
- d. For each item of qualified terminable interest property entered below, attach a copy of the trust document (if applicable) and an appraisal of the value of such property.

Was Decedent's Spouse a U.S. citizen as of the due date of the estate tax return? **Yes** **No**

Identify below each trust to which this irrevocable election applies:

| | |
|---|-----|
| Name of Trust (or other property) | |
| Tax Identification Number of Trust | |
| Name of Decedent's Spouse | SSN |
| Name and Address of Trustee(s) of Trust | |

If this election applies to an additional trust or trusts, attach a continuation schedule or additional sheets identifying each additional trust or property to which this election applies.

| Item Letter | Description of Maryland Qualified Terminable Interest Property | Amount (Fair Market Value) |
|-------------|--|-------------------------------|
| | | |

1. TOTAL AMOUNT of Qualified Terminable Interest Property listed above that is **not** listed on Schedule M of the federal Form 706. (Enter on Line 5, Section IV of the Maryland Estate Tax Return) \$ _____

GENERAL INSTRUCTIONS

For estates of decedents dying after December 31, 2016 and before January 1, 2018

When the Form MET 1 must be filed: A Maryland estate tax return (Form MET 1) must be filed where the federal gross estate plus adjusted taxable gifts plus, property for which a Maryland QTIP election was previously made on a Form MET 1 filed for the estate of the decedent's predeceased spouse equals or exceeds \$3,000,000, and the decedent at the date of death was:

1. A resident of the State of Maryland or
2. A nonresident of the State of Maryland whose estate includes any interest in real property permanently located in this State; or tangible personal property that has a taxable situs in this State.

The Maryland estate tax return must be filed within nine months after the date of death of the decedent, even if the federal estate tax return (IRS Form 706) is not required to be filed with the Internal Revenue Service.

Who must file Form MET 1: The duly appointed personal representative shall file the return. If there is more than one personal representative, the return must be made jointly by all. If there is no personal representative appointed, every person in actual or constructive possession of any property of the decedent is required to make and file a return.

Where to file return: The Maryland estate tax return is filed directly with the Comptroller. Mail the estate tax return and payment to:

**Comptroller of Maryland
Revenue Administration Division - Estate Tax Unit
P.O. Box 828
Annapolis, MD 21404-0828**

What to include with the return: When filing the Maryland estate tax return, include Maryland Schedule A if applicable, Maryland Schedule B, Maryland Schedule C if applicable, and Maryland Schedule D if applicable. In addition to the Maryland schedules, you must complete and submit the following documentation:

Fully complete federal estate tax return, Form 706, with special attention to the following:

Part 1

- Attach a copy of the **Letters of Administration**.
- If decedent died testate, check box on line 8 and attach a copy of the **Last Will & Testament** and any **codicils** thereto.

Part 2

- Report adjusted taxable gifts on line 4.
- Attach **Form 709, Gift Tax Return**, covering gifts made within 1 year of the decedent's death.

Part 4

- Fully complete and attach any necessary supplemental documents or schedules per Part 4.
- Attach the **death certificate**.
- Attach **trust documents** where decedent was a grantor or possessed a power, beneficial interest, or trusteeship. Include any amendments or restatements.
- Attach **power of appointment instruments**.

Part 5

- Make an entry on every line of the Recapitulation, even if it is zero.

Schedule F

- Completed Schedule F must be filed with all returns.

Schedule M

- Fully complete Schedule M, including items 1-3 and all

subsections, if there is a surviving spouse. Schedule M should be completed even if marital deduction property was reported according to the special rule of Reg. Section 20.2010(a)(7)(ii).

NOTE: If you are not required to file a federal estate tax return with the IRS but are required to file a Maryland estate tax return, attach a copy of the pro forma federal Form 706 prepared, with scheduled and supporting documentation, as though a federal return was required.

- Copies of all **disclaimers**
- Date of death **account statements** (bank, investment, retirement, etc.)
- All **appraisals** used to value property included on Form 706 including, but not limited to, real property and collections of personal property valued at over \$3,000.
- Form 712, Life Insurance Statement**, for any policies of life insurance reported on Form 706, even if its value is not included in the estate.
- Proof of the extent, origin, and nature of the decedent's interest and the interest(s) of the decedent's co-tenant(s) for all property reported on Schedule E, Part 2 at less than its full value.
- Detailed breakdown of miscellaneous expenses
- Date of death **mortgage statements**
- Promissory Notes**
- Copies of any documents directing a charitable transfer reported on Schedule O.

This list is not meant to be exhaustive, but highlights specific lines and supporting documents that are often overlooked. Failure to provide these documents with the return will delay processing.

Tips for faster processing of Maryland Estate Tax returns with no tax liability:

As a result of the marital deduction/Maryland QTIP, please flag the following pages of the filing:

- Form MET-1, page 2;
- Form MET-1, Schedule D, if a QTIP election is being made;
- Form 706, page 2; and
- Form 706, Schedule M. Please also ensure that items 1-3 and all subsections are complete.

As the result of charitable deductions, please flag the following pages of the filing:

- Form 706, page 3;
- Form 706, Schedule O; and
- The relevant page of the will, trust, or other documentation designating the charitable beneficiary or otherwise authorizing the charitable donation.

Alternate Valuation: With regard to an election to value property as provided in §2032 of the Internal Revenue Code, if a federal estate tax return is not required to be filed with the Internal Revenue Service, an irrevocable election made on a timely filed Maryland estate tax return shall be deemed to be an election as required by §2032(d) of the Internal Revenue Code. In such cases, the provisions of §2032(c) of the Internal Revenue Code do not apply. An election may not be made unless that election will decrease the value of the gross estate, and the Maryland estate tax due with regard to the transfer of a decedent's Maryland estate. Report an election for alternate valuation of property by entering a check mark in the appropriate box on the front page of the Maryland estate tax return, and by reporting the same on the pro forma Form 706 filed with the MET 1. You must attach all of the required statements and

appraisals. In cases in which a federal estate tax return is filed with the Internal Revenue Service, an election for alternate valuation of property for Maryland estate tax purposes must be the same as the election made for federal estate tax purposes.

Maryland Qualified Agricultural Property (QAP) Exclusion: To elect to exclude up to \$5,000,000 of the value of qualified agricultural property from the value of the gross estate and benefit from a tax rate not to exceed 5% of the value of such property exceeding \$5,000,000, certain forms must be filed with the Comptroller as attachments to the Maryland Estate Tax Return. To request these forms, please call the Estate Tax Unit at (410) 260-7850.

Extension of time to file: The Comptroller may extend the time to file an estate tax return up to 6 months, or if the person required to file the estate tax return is out of the United States, up to 1 year.

An application form, MET 1E must be filed with the Comptroller on or before the statutory due date and should include: a copy of the federal extension request, Form 4768, if applicable; remittance of the estimated Maryland estate tax; or a request for an alternative payment schedule. See Administrative Releases #4 and #30 for additional instructions.

When and Where to pay the tax: The Maryland estate tax is payable to the Comptroller of Maryland nine months from the date of death. The check should be mailed directly to the Comptroller of Maryland, Revenue Administration Division, P.O. Box 828, Annapolis, Maryland 21404-0828 with the remittance form MET 3 that is included in the return package. The Comptroller may allow an alternative payment schedule for the Maryland estate tax in the form of a payment deferral or installment payment plan. See Administrative Release #30 for specific procedures.

Interest, Penalties and Liens: Interest will accrue at the statutory rate on unpaid Maryland estate tax from the due date of the return to the date of actual payment. See Administrative Release #14 for current rates. Penalties are provided by statute for:

1. failure to pay the tax when due - up to 10 percent; and
2. failure to comply with Notice and Demand - 25 percent; and
3. substantial estate tax valuation understatement - a 25 percent penalty applies to any underpayment of Maryland estate tax if the underpayment exceeds \$5,000 and is attributable to a "substantial estate tax valuation understatement," which is defined as a valuation at 60 percent or less of the amount determined to be the correct value.

Unpaid tax, interest and penalties, become subject to lien in favor of the state upon all property and rights to the property belonging to the estate.

Reporting of Adjustments: After a Maryland estate tax return has been filed, an amended Maryland estate tax return (Form MET 1) shall be filed if the Maryland estate tax liability is increased because of:

1. a change in the federal gross estate, federal taxable estate, federal estate tax, or other change as determined under the Internal Revenue Code;
2. after-discovered property;
3. a correction to the value of previously reported property;
4. a correction to the amount of previously claimed deductions; or
5. any other correction to a previously filed return.

The amended return shall be filed within 90 days **after the later to occur of the date of the event** that caused the increase in the Maryland estate tax liability or the date on which the person required to file an amended Maryland estate tax return learned or reasonably should have learned of the increase in the Maryland estate tax liability. Any additional tax, interest and penalties determined to be due shall be paid to the Comptroller of Maryland at the same time the amended return is filed.

Refund of Excess Payment: If an adjustment results in a decrease in the Maryland estate tax, the person responsible for filing the Maryland estate tax return shall file an amended return (Form MET 1) to claim a refund of previously paid Maryland estate tax. Claims shall be supported with documents required by the Comptroller. Refunds found to be due shall be paid by the Comptroller as provided for in Section 13-901, Tax-General Article, Annotated Code of Maryland.

For forms, instructions and Administrative Releases #4, #14 or #30, contact:

Comptroller of Maryland
 Revenue Administration Division - Estate Tax Unit
 P.O. Box 828
 Annapolis, MD 21404-0828
 Phone: (410) 260-7850
 E-mail: taxhelp@comp.state.md.us
 Web site: www.marylandtaxes.gov

**FORM
 MET 3**



COMPTROLLER
of MARYLAND
 Serving the People

**MARYLAND ESTATE TAX
 REMITTANCE FORM**

Rev. 07/17
 COM/RAD-101D

Mail this form and the tax due to: Comptroller of Maryland, P.O. Box 828, Annapolis, MD 21404-0828

| | |
|---|---------------------------|
| Decedent's name | Social Security number |
| Maryland county or counties in which taxable property is located: | Date of death |
| Name and address of contact person | Amount remitted \$ |

The tax due must be remitted with this form.