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

DO NOT WRITE IN THIS AREA
Reference Numbers
Comptroller: _____
Register: _____

MARYLAND ESTATE TAX RETURN

To be used for decedents dying after December 31, 2008 and before January 1, 2010

Please print or type

Attach the Federal Estate Tax Return, Form 706

Original return Amended return Alternate Valuation Federal estate tax return has been or will be filed with the IRS

SECTION I

Decedent information:

First name	Middle name	Last name	Social Security number
Address at date of death (number and street)			
City	County	State	Zip code
Date of death	Due date of return (nine months after date of death)	Extended due date of return (Attach copy of extension)	

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.

Name	Complete mailing address	Social Security number
Name	Complete mailing address	Social Security number
Name	Complete mailing address	Social Security number

Attorney or contact person where correspondence should be sent:

Name	Phone number		
Address line 1			
Address line 2			
City	County	State	Zip code

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.

Signature	Date	Signature	Date
Signature	Date		

SECTION III

Certification of Register of Wills:

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

INSTRUCTIONS - SECTIONS I - IV OF MET 1
For estates of decedents dying after December 31, 2008 and before January 1, 2010

Indicate whether the return is an "original" filing or an "amended" return and whether alternate valuation is elected. Also indicate in the check box if the federal return, Form 706, has been or will be filed with the Internal Revenue Service.

Section I Complete *all* of the information concerning the decedent.

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.**

Section III This section will be completed by the Register of Wills if the Maryland estate tax return is filed with the Register of Wills. If return is filed directly with the Comptroller, the Certification of Inheritance Tax must be submitted by separate document provided by the Register of Wills.

Note: A Maryland estate tax return is not deemed complete for processing until the Certification of Inheritance Tax is received by the Comptroller. Failure to file the Certification of Inheritance Tax with the return will cause a delay in the processing of your return.

Section IV Computation of Maryland estate tax for estates of decedents dying after December 31, 2008. 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 appraisal from a Certified Appraiser.

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 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.

If an estate which makes a QTIP election on a federally filed return wishes to decrease the amount of that election for Maryland estate tax purposes, please explain in an attachment filed with the return.

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 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.
- 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.
- 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.
- Line 16b Enter the total Maryland estate tax paid with previously filed returns.
- 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. Request Administrative Release #14 for the current interest rates. Interest is calculated from the due date to the date of payment.
- 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.
- 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, 2008 and before January 1, 2010.**

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
	Total from additional pages	

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

SCHEDULE B

Use this schedule and worksheet to complete line 10, of the Maryland estate tax return
 if the decedent died after December 31, 2008 and before January 1, 2010

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 tables A and B below to determine the allowable maximum credit for state death taxes for purpose of the Maryland estate tax.

Table A – Unified Rate Schedule

Column A Taxable amount over	Column B Taxable amount not over	Column C Tax on amount in column A	Column D Rate of tax on excess over amount in column A
			(Percent)
0	\$10,000	0	18
\$10,000	20,000	\$1,800	20
20,000	40,000	3,800	22
40,000	60,000	8,200	24
60,000	80,000	13,000	26
80,000	100,000	18,200	28
100,000	150,000	23,800	30
150,000	250,000	38,800	32
250,000	500,000	70,800	34
500,000	750,000	155,800	37
750,000	1,000,000	248,300	39
1,000,000	1,250,000	345,800	41
1,250,000	1,500,000	448,300	43
1,500,000	2,000,000	555,800	45
2,000,000	-----	780,800	45

Table B – Computation of Maximum Credit for State Death Taxes

(1) Adjusted taxable estate equal to or more than –	(2) Adjusted taxable estate less than –	(3) Credit on amount in column (1)	(4) Rate of credit on excess over amount in column (1)	(1) Adjusted taxable estate equal to or more than	(2) Adjusted taxable estate less than	(3) Credit on amount in column (1)	(4) Rate of credit on excess over amount in column (1)
			(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. \$ _____
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 \$345,800 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** \$ _____

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, 2008 and before January 1, 2010.

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.

Identify below each trust to which this irrevocable election applies:

A. _____
 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)
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1. TOTAL AMOUNT of Qualified Terminable Interest Property listed above that is not listed in 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, 2008 and before January 1, 2010

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 \$1,000,000, 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 with the Register of Wills of Baltimore City or the county in which the Maryland estate is being administered, or where the property is located in the case of a nonresident decedent. The Register of Wills shall certify the amount of inheritance tax paid and forward the return to the Comptroller. The Maryland tax return may also be filed directly with the Comptroller in which case the Certification of Inheritance Tax must be submitted on a separate document provided by the Register of Wills. **Note: The Maryland estate tax return is not deemed complete for processing until the Certification of Inheritance Tax is received by the Comptroller.**

Failure to file the Certification of Inheritance Tax will result in a delay in the processing of your return.

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, Maryland Schedule D if applicable, and the federal estate tax return, Form 706, including schedules, attachments and supporting documents. The value of the property of the estate must be based upon an appraisal from a Certified Appraiser.

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

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.

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.

An amended Maryland estate tax return is not deemed complete for processing until the Certification of Inheritance Tax is received by the Comptroller. Failure to file the Certification of Inheritance Tax will result in a delay in the processing of your return.

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.

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

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

**FORM
MET 3**



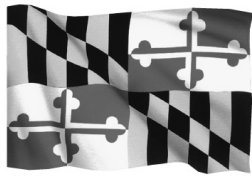
**MARYLAND ESTATE TAX
REMITTANCE FORM**

Rev. 06/09
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 estate tax return will be filed with the Register of Wills for: <i>(name of county or Baltimore City)</i>	Date of death
Name and address of contact person	Amount remitted \$

The tax due must be remitted with this form.



COMPTROLLER
of MARYLAND
Serving the People

FOR ADDITIONAL INFORMATION:

call the Comptroller of Maryland at

410-260-7850 (Central Maryland)

1-800-MD TAXES (from elsewhere in Maryland)

from 8:00 a.m. to 5:00 p.m. eastern time.

E-mail: taxhelp@comp.state.md.us

WORLD WIDE WEB:

www.marylandtaxes.com

- forms and publications
- fill out the interactive Combined Registration Application online to register new business tax accounts
- see if you are among the owners of millions in unclaimed funds
 - tax regulations

FOR DEAF OR HARD-OF-HEARING:

TTY users call via Maryland Relay at 711 in Maryland

or 1-800-735-2258 from anywhere

TTY: 410-767-1967 (Baltimore Area)

If you need a reasonable accommodation for a disability,
please contact us before your visit.