



February 10, 2012

The Honorable Edward J. Kasemeyer
Budget and Taxation Committee
3 West, Miller Senate Building
Annapolis, MD 21401-1912

Re: SB 294 - Family Farm Preservation Act of 2012 - **Support**

Dear Senator Kasemeyer:

SB 294 exempts the value of a farm from the state estate tax when the farm stays in agricultural use for the next 10 years. This bill provides that the Maryland estate tax shall be determined by excluding from the value of the gross estate up to \$5,000,000 of the value of qualified agricultural property that passes from the decedent to a qualified recipient. The Maryland estate tax shall be recaptured if, within 10 years after the decedent's death, the qualified agricultural property ceases to be used for farming purposes.

If adopted, this bill will make Maryland's estate tax law consistent with the federal exemption and recapture provisions. This bill will also reduce the tax rate for any qualified agricultural property that exceeds \$5 million from the current 16% rate to a 5% rate. Non-agricultural estate would still be assessed using the \$1 million exemption and the 16% tax rate.

The Legislative Committee of the Carroll County Chamber of Commerce asks that your committee give this bill a favorable report.

Sincerely,

A handwritten signature in cursive script that reads 'Michael McMullin'.

Michael McMullin
President
Carroll County Chamber of Commerce

CC: Senator Joseph M. Getty
Delegate Susan W. Krebs