ACCOUNT INSTRUCTIONS

Within nine months of the date of appointment, an initial account must be filed.

The following is a ***sample*** of a First & Final Administration Account that should be used as a guide and checklist only. Each account must be typewritten and include the original signatures of all Personal Representatives and the Attorney for the estate, if applicable. Addresses and telephone numbers are also required. Please Note: Accounts that do not have proper Verification/Certification will not be accepted [MD Rule 6-108(b)]. Form attached (page 11).

CAUTION: Prior to preparing the account, the CLAIMS DOCKET at the Register of Wills Office should be reviewed to verify all claims against the estate have been paid in full or formally disallowed.

Inheritance Tax and Probate Fees and other costs due the Register of Wills (**Certified Mail Cost** for estates opened after January 1, 1997) as stated in the account are **due** when the account is filed (See supplement A of this guide). This does not apply to inheritance tax on non-probate assets which becomes due immediately upon billing.

Questions should be directed to the Register of Wills AUDIT DEPARTMENT at 410-887-6680.

The First Administration Account should reflect the totals for the assets as reported by the Summary Sheets of all Inventories. Subsequent accounts will reflect the balance retained as itemized on the prior account plus any totals from additional inventories filed since the last accounting.

The Account should also include all miscellaneous principal receipts (collections, refunds, etc.) received by the Personal Representative during the course of administration.

Principal Adjustments consists of the summary of changes in estate assets including sales, redemptions, transfers, purchases, adjustments to inventoried values, stock splits, changes of corporate names, etc. Any **gain** or **loss** realized from a transaction is to be reflected. A loss will be reflected as a negative. Documentation of transactions may be required. Examples of documentation are as follows: Broker's statements, settlement statements, bills of sale, etc. **Effective for decedents dying on or after January 1, 1998: Income received by the estate including gains and losses accrued on probate assets after the date of death is not subject to inheritance tax, BUT IS SUBJECT TO ACCOUNTING by a personal representative.**

Estate Income is an itemization of all income earned on estate assets (interest, dividends, etc.). Set forth the source, date and amount of each receipt. **Effective for decedents dying on or after January 1, 1998: Income received by the estate including gains and losses accrued on probate assets after the date of death is not subject to inheritance tax, BUT IS SUBJECT TO ACCOUNTING by a personal representative.**

Itemized Expenses include all disbursements made by the Personal Representative during administration of the estate or during the accounting period if the account is not a First and Final Account. Allowable expenses include the following: reasonable **Funeral Expenses**; **Family Allowance**; **Debts Due by the Decedent** which had not been paid as of date of death; **Medical Expenses** for decedent's last illness; **Administration Expenses** including bond premium; appraisal fee; publication costs; bank service charges; **Federal and Maryland Estate Taxes**; Fiduciary Income Taxes; **Expenses** incurred from the sale, transfer or redemption of estate assets; **Court Costs and Probate Fee**; **Attorney's Fee and/or and Personal Representative's Commission** (CAUTION - payment cannot be made until approved by Court Order, OR CONSENTS ARE FILED.

Maintenance expenses, including utilities, generated by non-income producing real property, are generally not allowed beyond the time for filing claims. When sale of the real property is directed by the Will or becomes essential in order to pay claims and expenses, necessary maintenance expenses may be considered. Mortgage payments will be allowed. Credit for any outstanding mortgage balance at the time of distribution will be allowed to offset inheritance tax.
If the property produces a reasonable amount of rental income, maintenance expenses may be allowed.

Vouchers (cancelled checks or invoices receipted by the service provider) may be requested. To expedite the audit process, vouchers may be submitted with the account. COPIES OF VOUCHERS WILL BE ACCEPTED. Copies of the estate bank account statements may also be requested by the auditor.

Vouchers must be submitted as evidence of payment of claims filed in this office.

Distribution and Inheritance Tax Calculation must include all distributions to the beneficiaries of the estate which were made during the accounting period. If this is a Final Account, include all proposed final distributions. Itemize the assets distributed or proposed to be distributed pursuant to the terms of the Last Will and Testament. If the decedent died without a Will, distribution must be in accordance with the laws of intestate succession established by the Estates and Trusts Article of the Annotated Code of Maryland, Title 3, Subtitle 1.

Authority for Maryland Inheritance Tax is established by Title 7 of the Tax General Article, Annotated Code of Maryland

Inheritance Tax on each distribution is to be reflected at the appropriate rate. ***Effective for persons dying prior to July 1, 1999, the LINEAL inheritance tax rate is one percent (1%). This rate applies to distributions to a spouse (see exemptions), parent, grandparent, children, grandchildren, great-grandchildren, stepparent and stepchildren. All other distributions are subject to a COLLATERAL tax at ten percent (10%).**

***Effective for persons dying on or after July 1, 1999 but before July 1, 2000, the LINEAL inheritance tax rate is nine-tenths of one-percent (0.9%). The COLLATERAL inheritance tax rate is ten percent (10%).**
****Exception: The inheritance tax rate for property passing from a decedent to a BROTHER or SISTER is eight percent (8%).**

***Effective for persons dying on or after July 1, 2000, the inheritance tax does not apply to the receipt of property that passes from a decedent to:**

A.) Spouse
B.) Child or other lineal descendant
C.) Parent
D.) Grandparent
E.) Spouse of a child or other lineal descendant
F.) Stepparent or Stepchild
G.) Brother or Sister

***The inheritance tax rate of ten percent (10%) applies to distributions to everyone that is not exempt from inheritance tax.**

EXEMPTIONS FROM INHERITANCE TAX: Provided the decedent died on or after July 1, 1985, all real property and the first $100,000.00 of personal property is exempt when passing to a spouse. **For decedent's dying on or after January 1, 1998,** the Inheritance tax does not apply to the receipt of property that passes from a decedent to any 1 person if the total value of the property does not exceed $1,000.00. Inheritance tax will not apply if a charitable organization is exempt under Internal Revenue Code Section 501(c)(3).

INHERITANCE TAXES:

***Paid by Distributee**: If inheritance taxes are charged to the distributee, the amount of the distribution to the legatee or heir is reduced by the appropriate tax.

***Paid by the Residuary Estate:** If inheritance taxes are charged to the residuary estate, the amount of the distribution to the legatee or heir is reflected at the full value of the distribution without reduction for inheritance tax. This is accomplished by a provision in the Will directing all taxes be paid from the residuary estate (tax clause). The net effect of this provision is to increase the amount of the distributee's distribution by the amount of the inheritance tax. The original bequest is multiplied by the tax formula **(*See Tax Formulas Below)** and the result is then added to the original bequest. This sum is then multiplied by the appropriate inheritance tax rate (.9%, 1%, 8% or 10%.) The amount of tax should equal the amount of the additional bequest.

*The Inheritance tax is computed with the following tax formulas: Direct tax at I.010101% (**effective 7/1/99 – 6/30/2000 - .90817%) and collateral tax at 11.11111% (**effective 7/1/99 – 6/30/2000 – 8.6956% siblings only). If a partial distribution of the residue is reflected in an interim account and inheritance tax was not withheld from the partial distribution, the higher rate may be applied to the actual amount received by the beneficiary.

PLEASE NOTE: Inheritance tax on non-probate assets will be billed promptly upon reporting these assets and the tax becomes due immediately.

NOTE: Pursuant to the Estates and Trusts Article, Section 7-101(b) and 9-104, assets shall be distributed in kind to the extent possible and within the time for filing the first account.

An itemization of the assets **Retained** by the Personal Representative is required with any account which is **not** a Final Account. A sufficient explanation of why assets must be retained is required. SUBSEQUENT ACCOUNTS ARE REQUIRED TO BE FILED AT **SIX MONTH** INTERVALS UNTIL THE ESTATE IS CLOSED. (See Maryland Rule 6-417)

Probate Fee for Estates Opened October 1, 2022 and After

IF THE VALUE OF THE PROBATE ESTATE IS AT LEAST	BUT IS LESS THAN	THE FEE IS
$0	$50,000	$0
$50,000	$100,000	$100
$100,000	$500,000	$200
$500,000	$1,000,000	$1,000
$1,000,000	$2,500,000	$2,000
$2,500,000	$5,000,000	$5,000
$5,000,000	$7,500,000	$7,500
$7,500,000	$10,000,000	$10,000
$10,000,000	----------	$10,000 plus .02% of excess over $10,000,000

IN THE MATTER OF

THE ESTATE OF

_____,

DECEASED – DOD _____
DATE OPENED - _____

IN THE

ORPHANS' COURT FOR

BALTIMORE COUNTY

ESTATE NO. _____

****

_____

ADMINISTRATION ACCOUNT

ASSETS PER INVENTORY FILIED ON _____

_____ $_____
_____ $_____
_____ $_____
_____ $_____
_____ $_____

MISCELLANEOUS PRINCIPAL RECEIPTS (Refunds,etc.)

_____ $_____
_____ $_____
_____ $_____

PROCEEDS ON SALE OF ASSETS (Includes GAINS AND LOSSES)

_____ $_____
_____ $_____
_____ $_____
_____ $_____
_____ $_____

INCOME (Interest, Dividends)

_____ $_____
_____ $_____
_____ $_____

TOTAL ESTATE TO BE ACCOUNTED FOR $_____

ITEMIZED EXPENSES AND DISBURSEMENTS (Attach additional sheets if necessary)

Register of Wills - Probate Fee **(DUE)**	$_____
Bond Premium **(PROVIDE PROOF OF PAYMENT)**	$_____
Publication of Notice to Creditors **(PROVIDE PROOF OF PAYMENT)**	$_____
Personal Representative Commissions/Counsel Fee	$_____
Funeral Expenses:	
_____	$_____
_____	$_____
_____	$_____
Family Allowance (Spouse and/or minor children)	$_____
Expenses incurred during administration:	
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
Debts of the Decedent:	
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____

TOTAL EXPENSES $_____

DISTRIBUTION CALCULATION

TOTAL ESTATE	$_____
LESS EXPENSES	$_____
LESS RETENTION	$_____
NET ESTATE FOR DISTRIBUTION	$_____

DISTRIBUTION:

UNTO: _____	
_____	
Net Distribution	$_____
UNTO: _____	
_____	
Net Distribution	$_____
UNTO: _____	
_____	
Net Distribution	$_____
UNTO: _____	
_____	
Net Distribution	$_____
UNTO: _____	
_____	
Net Distribution	$_____
UNTO: _____	
_____	
Net Distribution	$_____

TOTAL ESTATE TO BE ACCOUNTED FOR $_____

RETENTION CALCULATION

TOTAL ESTATE	$_____
LESS EXPENSES	$_____
LESS RETENTION	$_____

ASSETS RETAINED:

_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____

REASON FOR RETENTION:

_____

_____

_____

_____

_____

_____

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_____

_____

_____

_____

TOTAL ESTATE TO BE ACCOUNTED FOR $_____

VERIFICATION

I do solemnly declare and affirm under penalty of perjury that the contents of the foregoing account are true and correct to the best of my knowledge, information and belief, that notice has been given to all interested persons in accordance with Sections 7-301 and 7-501(a) of the Estates and Trusts Article of the Annotated Code of Maryland and that I have complied with the provisions of Section 7-302 of said Estates and Trusts Article.

_____
PERSONAL REPRESENTATIVE
(Signature required)

CERTIFICATE OF SERVICE

The undersigned certifies that on the _____ day of _____, 20___, all Interested persons were notified in writing of the filing of the foregoing account and of their right to file exceptions to the account with the Register of Wills within twenty (20) days of the date the Order is docketed by the Register of Wills.

_____
PERSONAL REPRESENTATIVE
(Signature required)

NAMES AND ADDRESSES OF INTERESTED PERSONS

IN THE MATTER OF

THE ESTATE OF

_____,

DECEASED

IN THE

ORPHANS' COURT FOR

BALTIMORE COUNTY

ESTATE NO. _____

****

NOTICE OF FILING OF ADMINISTRATION ACCOUNT

You are hereby notified that:

1) An administration account has been filed in the above-captioned estate,

2) You may file exceptions with the Orphans' Court for Baltimore County within 20 days from docketing of the Court's Order approving the account,

3) Further information can be obtained by reviewing the estate file in the office of the Register of Wills or by contacting the personal representative or the attorney,

4) Upon request the personal representative shall furnish a copy of the account to any person who is given notice, and

5) Distribution under the account as approved by the court will be made within 30 days after the order of court approving the account becomes final.

_____

PERSONAL REPRESENTATIVE
(Signature required)