

SENATE BILL 100

Q7

3lr0946
CF 3lr1530

By: **Senator Kasemeyer**

Introduced and read first time: January 11, 2013

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Overpayment – Interest on Refunds**

3 FOR the purpose of altering the day on which interest begins to accrue on certain
4 taxpayer refunds of certain tax payments; allowing interest to accrue on certain
5 taxpayer refunds based on certain errors of a claimant; repealing a prohibition
6 on a tax collector paying interest on certain refunds; and generally relating to
7 interest on certain tax refunds.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – General
10 Section 13–603
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2012 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Tax – General**

16 13–603.

17 [(a) Except as otherwise provided in this section, if] **IF** a claim for refund
18 under § 13–901(a)(1) or (2) or (d)(1)(i) or (2) of this title is approved, the tax collector
19 shall pay interest on the refund:

20 **(1) FROM THE DATE OF THE OVERPAYMENT TO THE DATE ON**
21 **WHICH THE REFUND IS PAID; OR**

22 **(2) IF THE CLAIM FOR A REFUND IS BASED ON AN ERROR OR**
23 **MISTAKE OF THE CLAIMANT NOT ATTRIBUTABLE TO THE STATE OR A UNIT OF**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **STATE GOVERNMENT**, from the 45th day after the claim is filed in the manner
2 required in Subtitle 9 of this title to the date on which the refund is paid.

3 [(b) A tax collector may not pay interest on a refund if the claim for refund is:

4 (1) made under any provision other than § 13-901(a)(1) or (2) or
5 (d)(1)(i) or (2) of this title;

6 (2) based on:

7 (i) an error or mistake of the claimant not attributable to the
8 State or a unit of the State government;

9 (ii) withholding excess income tax;

10 (iii) an overpayment of estimated financial institution franchise
11 tax or estimated income tax; or

12 (iv) an overpayment of Maryland estate tax based on an
13 inheritance tax payment made after payment of Maryland estate tax; or

14 (3) made for Maryland estate tax or Maryland generation-skipping
15 transfer tax more than 1 year after the event on which the claim is based.]

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2013.