

HOUSE BILL 1233

Q7, Q3, Q4

(5lr2980)

ENROLLED BILL

— *Ways and Means / Budget and Taxation* —

Introduced by ~~Delegate Walker~~ Delegates Walker, Hixson, Turner, Kaiser, Luedtke, Afzali, D. Barnes, Buckel, Fennell, Hornberger, C. Howard, Long, Metzgar, Patterson, Platt, Reilly, Simonaire, Shoemaker, Tarlau, A. Washington, and M. Washington

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Tax Amnesty Program**

3 FOR the purpose of requiring the Comptroller to waive certain penalties and interest
4 imposed for the nonpayment, nonreporting, or underreporting of certain taxes under
5 certain circumstances; establishing a period during which the Comptroller shall
6 grant amnesty; authorizing the Comptroller to enter into certain agreements to
7 provide a certain waiver under certain circumstances with respect to certain taxes
8 that a taxpayer agrees to pay in accordance with certain terms and a certain
9 schedule; providing that the amnesty program does not apply to certain taxpayers
10 under certain circumstances; requiring the Comptroller to submit a certain report
11 on the tax amnesty program; and generally relating to a tax amnesty program for
12 certain taxes.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That:

3 (a) Subject to Section 2 of this Act, the Comptroller shall declare an amnesty
4 period for delinquent taxpayers from September 1, 2015, to October 30, 2015, both
5 inclusive.

6 (b) The amnesty period shall be applicable to the Maryland State and local income
7 tax, withholding taxes, sales and use taxes, and admissions and amusement taxes.

8 (c) The waiver required under this Act applies to:

9 (1) Nonreporting of tax liability;

10 (2) Underreporting of tax liability; and

11 (3) Nonpayment of tax liability.

12 SECTION 2. AND BE IT FURTHER ENACTED, That:

13 (a) (1) Except as otherwise provided in this section, the Comptroller shall
14 waive all civil penalties (except previously assessed fraud penalties) and one-half of the
15 interest imposed against a taxpayer who:

16 (i) On or before December 31, 2014, failed to file a return required
17 or pay the tax imposed under the Tax – General Article for:

18 1. Individual income tax;

19 2. Corporate income tax;

20 3. Withholding tax;

21 4. Sales and use tax; or

22 5. Admissions and amusement tax; and

23 (ii) During the amnesty period:

24 1. Files a delinquent return and pays the tax, including
25 one-half of any interest, due under the return;

26 2. Pays the tax, plus one-half of any interest, due on a
27 previously filed return; or

1 3. With respect to delinquent tax due under a return filed
2 during the amnesty period or under a previously filed return, enters into an agreement
3 with the Comptroller under paragraph (2) of this subsection to pay the tax, including
4 one-half of any interest, in accordance with the terms and schedule established in the
5 agreement.

6 (2) (i) The Comptroller may at the Comptroller's discretion enter into
7 an agreement with a taxpayer to provide a waiver under this section with respect to taxes
8 that are not paid in full during the amnesty period but that the taxpayer agrees to pay in
9 accordance with the terms and schedule established under the agreement.

10 (ii) Except as otherwise provided in this paragraph, the required
11 terms and schedule for payment under an agreement under this paragraph are entirely at
12 the discretion of the Comptroller.

13 (iii) An agreement under this paragraph shall provide for payment in
14 full of the delinquent tax plus one-half of the interest due on or before December 31, 2016.

15 (iv) With respect to taxes that are subject to an agreement under this
16 paragraph:

17 1. The waiver of civil penalties and interest provided under
18 this section is void if the taxpayer fails to pay the full amount of taxes plus
19 one-half of any interest strictly in accordance with the terms and schedule established in
20 the agreement; and

21 2. The waiver provided under this section for one-half of the
22 interest imposed with respect to delinquent taxes does not apply to interest accruing for
23 periods after October 30, 2015, on amounts remaining unpaid after that date.

24 (3) ~~(i) In this paragraph, "corporate group" means an affiliated group
25 or controlled group of corporations under § 1504 or § 1563 of the Internal Revenue Code.~~

26 ~~(ii)~~ The amnesty program under this section does not apply to:

27 ~~1. (i)~~ Any taxpayer that was granted amnesty under a
28 Maryland Tax Amnesty Program held between calendar year 1999 and calendar year 2014;
29 or

30 ~~2. (ii)~~ Any taxpayer eligible for the July 1, 2004, through
31 November 1, 2004, Settlement Period, as provided in Chapter 557 of the Acts of 2004, for
32 tax periods prior to tax year 2003.

33 (b) (1) Except as otherwise provided in this Act, a taxpayer may not be charged
34 with a criminal tax offense arising out of any return filed and tax paid during the amnesty
35 period or in accordance with an agreement entered into under subsection (a)(2) of this
36 section if the taxpayer, in accordance with the provisions of this Act:

1 (i) During the amnesty period:

2 1. Files a delinquent return and pays the tax, plus
3 one-half of any interest, due under the return; or

4 2. Pays the tax, plus one-half of any interest, due on a
5 previously filed return; or

6 (ii) With respect to delinquent tax due under a return filed during
7 the amnesty period or under a previously filed return:

8 1. Enters into an agreement with the Comptroller under
9 subsection (a)(2) of this section; and

10 2. Pays the full amount of taxes plus one-half of any interest
11 strictly in accordance with the terms and schedule established in the agreement.

12 (2) The amnesty from criminal charges under paragraph (1) of this
13 subsection does not apply to:

14 (i) Any criminal charges pending in the courts of the State; or

15 (ii) Any criminal charges under investigation by an office with the
16 constitutional authority to prosecute a person for violation of criminal laws.

17 (3) For purposes of this subsection, an office with constitutional authority
18 to prosecute persons for violation of the criminal laws:

19 (i) Includes the Office of the Attorney General of Maryland, the
20 Office of the State Prosecutor, and the Office of the State's Attorney for any of the political
21 subdivisions of the State; and

22 (ii) Does not include the Office of the Comptroller.

23 (c) Except as expressly provided in this section, this Act does not authorize the
24 Comptroller to waive any interest charges or previously assessed fraud penalties.

25 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before March 15, 2016,
26 the Comptroller shall report to the Governor and, subject to § 2-1246 of the State
27 Government Article, the General Assembly, on:

28 (1) The State and local revenues raised under the amnesty program; and

29 (2) Other matters relating to the amnesty program.

1 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.