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To: Members of the House Appropriations Committee
From: DeAndre Morrow, Legislative Committee, Maryland State Bar Association Taxation Section
Date: March 29, 2023
Subject: **Senate Bill 0660 – “Office of the Comptroller-Taxpayer Advocate Division”**
Position: **Support (with Amendments)**

The Maryland State Bar Association (“MSBA”) support **Senate Bill #0660 – Office of the Comptroller – Taxpayer Advocate Division** (the “Bill”).

By way of background, the Bill will establish a Taxpayer Advocate Division within the Office of the Comptroller to assist taxpayers and their representatives resolve taxpayer problems and complaints. The Taxpayer Advocate Division will identify and resolve issues Taxpayers have when dealing with the Comptroller’s Office. The Taxpayer Advocate Division will also compile reports and propose recommendations on systematic problem areas within the Office of the Comptroller.

The Bill, as drafted, creates a foundation on how the Taxpayer Advocate Division can best serve Maryland taxpayers and mediate some of the persistent problems in the Office of the Comptroller; however, there could be improvements added to the Bill. The Taxpayer Advocate Division is being created to establish a benefit for taxpayers on the state level similar to the Taxpayer Advocate Service (“TAS”) within the IRS. The Internal Revenue Service has a clear and concise Taxpayer Bill of Rights. The Maryland Comptroller has guidelines, but they have not adopted a Taxpayer Bill of Rights. We recommend the Taxpayer Advocate Division establishes a taxpayer rights charter which include basic rights such as Due Process, a right to review, etc. Furthermore, the Bill currently has a reporting requirement to the Maryland Comptroller. As stated above, the Taxpayer Advocate Division was created to replicate TAS, so the Taxpayer Advocate Division should follow similar reporting requirements. TAS directly reports to Congress and publishes their reports on their website. The Advocate should adopt a public reporting requirement to taxpayers and the Maryland Legislature as a way of creating transparency and accountability.

The following additions to the Bill will encompass the improvements listed above and create a stronger foundation for the Taxpayer Advocate Division:



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- (D)(5): The Division shall be funded under the State budget and operational no later than June 1, 2024.
- (D)(6): Future reductions in the Division's budget shall be no greater in proportion than those made to any other Division within the office of the Comptroller.
- (D)(8): Report to the Comptroller, policies or practices the Division considers barriers to the equitable treatment of taxpayers.
- Include in (D)(9): Participate as a voting member of any Comptroller board, commission, or group that makes determinations regarding: (1) taxpayer requests for collections relief or collections alternatives, or (2) policies that affect taxpayer rights or access to relief.
- Include in (D)(10): Compile and report on each year the specific policies and practices of the Comptroller that (1) lack transparency, (2) are applied inconsistently, or (3) result in inequitable treatment of taxpayers when applied equally.
- (E)(3): "Be responsible for assisting the Comptroller to ensure that its all of it policies, processes, and procedures are transparent; publicly documented on its website; applied consistently to ensure an equitable outcome; and readily accessible to all Maryland taxpayers."

In addition to the above proposed amendments, the ability for the Maryland Taxpayer Advocate to pause collection activity after they accept a case should be included in the Bill. TAS is able to effectively advocate for taxpayers because they have the ability to halt collection activities. The Maryland Taxpayer Advocate should be just as effective for taxpayers as TAS.

If enacted as currently drafted, the Bill fails to rectify the current struggles taxpayers face when dealing with the Comptroller. It also fails to provide sufficient oversight over the Comptroller's office to ensure those struggles do not continue to persist. The above improvements will add value to the Taxpayer's Advocate Division as well as the Comptroller's office among taxpayers.

For the reason(s) stated above, the MSBA **favors the Bill and urges a favorable Committee report with the above improvements.**

If you have questions, please contact DeAndre Morrow at morrowde@gtlaw.com or MSBA's Director of Advocacy, Shaoli Katana, Esq. at shaoli@msba.org or 410-387-5606.