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By: **Delegates Conway, McClenahan, and Bozman**

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Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: March 21, 2002

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CHAPTER 260

1 AN ACT concerning

2 **Vessel Excise Tax - Amnesty for Unpaid Taxes**

3 FOR the purpose of requiring the Secretary of Natural Resources to waive certain  
4 penalties imposed for the nonpayment, nonreporting, and underreporting of the  
5 excise tax on vessels under certain circumstances; establishing a period during  
6 which the Secretary shall grant amnesty; increasing certain criminal penalties  
7 for persons who violate certain provisions of the vessel excise tax law; requiring  
8 the Secretary to submit a certain report on the tax amnesty program; providing  
9 for the distribution of the receipts from the amnesty program; providing for the  
10 effective dates of this Act; and generally relating to an amnesty program for  
11 unpaid vessel excise tax.

12 BY repealing and reenacting, with amendments,  
13 Article - Natural Resources  
14 Section 8-739(b)  
15 Annotated Code of Maryland  
16 (2000 Replacement Volume and 2001 Supplement)

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

19 (a) Subject to Section 2 of this Act, the Secretary of Natural Resources shall  
20 declare an amnesty period for delinquent taxpayers from September 1, 2002 to  
21 October 31, 2002, both inclusive.

22 (b) The amnesty period shall be applicable to the excise tax imposed under §  
23 8-716 of the Natural Resources Article.

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

- 2 (1) Nonreporting of tax liability;
- 3 (2) Underreporting of tax liability; and
- 4 (3) Nonpayment of tax liability.

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

6 (a) The Secretary of Natural Resources shall waive all civil penalties (except  
7 previously assessed fraud penalties) attributable to taxes paid during the amnesty  
8 period, imposed against a taxpayer who:

9 (1) On or before December 31, 2001, failed to pay the excise tax imposed  
10 under § 8-716 of the Natural Resources Article; and

11 (2) During the amnesty period, pays the tax due, including all interest.

12 (b) (1) Except as otherwise provided in this Act, a taxpayer may not be  
13 charged with a criminal tax offense arising out of any tax paid during the amnesty  
14 period if the taxpayer, in accordance with the provisions of this Act, during the  
15 amnesty period pays any tax previously due, including all interest.

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

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

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

21 (3) For the purposes of this subsection, an office with constitutional  
22 authority to prosecute a person for violation of criminal laws:

23 (i) Includes the Office of the Attorney General of Maryland, the  
24 Office of the State Prosecutor, and the Office of the State's Attorney for any of the  
25 political subdivisions of the State; and

26 (ii) Does not include the State Comptroller or the Secretary of  
27 Natural Resources.

28 (c) This Act does not authorize the Secretary of Natural Resources to waive  
29 any interest charges or previously assessed fraud penalties.

30 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
31 read as follows:

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**Article - Natural Resources**

2 8-739.

3 (b) Any person who violates § 8-716.1 of this subtitle is guilty of a  
4 misdemeanor and on conviction is subject to a fine not exceeding [\$5,000] \$10,000 or  
5 imprisonment not exceeding 5 years, or both.

6 SECTION 4. AND BE IT FURTHER ENACTED, That, on or before March 15,  
7 2003, the Secretary of Natural Resources shall report to the Governor and, subject to  
8 § 2-1246 of the State Government Article, to the General Assembly, on:

9 (1) The revenues raised under the amnesty program; and

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

11 SECTION 5. AND BE IT FURTHER ENACTED, That the revenue collected by  
12 the Secretary of Natural Resources under this Act shall be distributed in accordance  
13 with Title 8, Subtitle 7 of the Natural Resources Article.

14 SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall  
15 take effect November 1, 2002, and shall be applicable to any tax due after October 31,  
16 2002.

17 SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in  
18 Section 6 of this Act, this Act shall take effect July 1, 2002.