

SENATE BILL 423

Q7

4lr1295

By: **Senators Kasemeyer, Miller, and Reilly**
Introduced and read first time: January 24, 2014
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; requiring a tax collector to pay
5 interest on certain taxpayer refunds beginning on a certain date if the
6 overpayment is attributable to an error or mistake of a certain entity; repealing
7 a prohibition on a tax collector paying interest on certain refunds; and generally
8 relating to interest on certain tax refunds.

9 BY repealing

10 Article – Tax – General
11 Section 13–603
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2013 Supplement)

14 BY adding to

15 Article – Tax – General
16 Section 13–603
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2013 Supplement)

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

21 **Article – Tax – General**

22 [13–603.

23 (a) Except as otherwise provided in this section, if a claim for refund under §
24 13–901(a)(1) or (2) or (d)(1)(i) or (2) of this title is approved, the tax collector shall pay

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 interest on the refund 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 **13-603.**

17 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IF A
18 CLAIM FOR REFUND IS APPROVED, THE TAX COLLECTOR SHALL PAY INTEREST
19 ON THE REFUND FROM THE 45TH DAY AFTER THE CLAIM IS FILED IN THE
20 MANNER REQUIRED UNDER SUBTITLE 9 OF THIS TITLE TO THE DATE ON WHICH
21 THE REFUND IS PAID.

22 (B) IF A CLAIM FOR REFUND IS APPROVED AND THE OVERPAYMENT IS
23 ATTRIBUTABLE TO AN ERROR OR A MISTAKE OF THE STATE OR A
24 GOVERNMENTAL UNIT OF THE STATE GOVERNMENT, THE TAX COLLECTOR
25 SHALL PAY INTEREST ON THE REFUND FROM THE DATE OF THE OVERPAYMENT
26 TO THE DATE ON WHICH THE REFUND IS PAID.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2014.