

# HOUSE BILL 1054

Q3

6lr2776

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By: ~~Delegates Brooks, Morales, Anderson, Anderton, Angel, Arentz, Atterbeary,~~  
Aumann, Barkley, Branch, Bromwell, Carter, Chang, Clippinger, Conaway,  
Ebersole, Fennell, Fisher, Fraser-Hidalgo, Frick, Ghrist, Glenn, Hayes,  
Haynes, Hettleman, Holmes, S. Howard, Impallaria, Jackson, Jalisi,  
Jameson, Jones, Knotts, Kramer, Krebs, Krimm, Lafferty, Lam, Lierman,  
Lisanti, Mautz, McCray, McDonough, McMillan, A. Miller, Morhaim, Oaks,  
Patterson, Rey, B. Robinson, S. Robinson, Rosenberg, Sample-Hughes,  
Sanchez, Smith, Sophocleus, Stein, Sydnor, Szeliga, Tarlau, Turner,  
Valderrama, Vaughn, Waldstreicher, A. Washington, M. Washington, West,  
C. Wilson, and P. Young

Introduced and read first time: February 11, 2016

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Income Tax – Penalties – Assessment Schedule**

3 FOR the purpose of altering the penalty the Comptroller is required to assess if a person  
4 fails to pay income tax when due; providing for the application of this Act; and  
5 generally relating to the assessment of a penalty for failure to pay income tax when  
6 due.

7 BY repealing and reenacting, without amendments,  
8 Article – Tax – General  
9 Section 13–701(a)  
10 Annotated Code of Maryland  
11 (2010 Replacement Volume and 2015 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Tax – General  
14 Section 13–701(b)

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### 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.



1 Annotated Code of Maryland  
2 (2010 Replacement Volume and 2015 Supplement)

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

5 **Article – Tax – General**

6 13–701.

7 (a) Except as otherwise provided in this subtitle, if a person or governmental unit  
8 fails to pay a tax when due under this article, the tax collector shall assess a penalty not  
9 exceeding 10% of the unpaid tax.

10 (b) (1) If a person fails to pay alcoholic beverage tax, financial institution  
11 franchise tax, [income tax,] or tobacco tax when required under this article, the tax collector  
12 shall assess a penalty not exceeding 25% of the unpaid tax.

13 (2) If a person fails to file a motor carrier tax return or motor fuel tax return  
14 when required under this article, the Comptroller shall assess a penalty not exceeding \$25.

15 ~~(3) IF A PERSON FAILS TO PAY INCOME TAX WHEN REQUIRED UNDER  
16 THIS ARTICLE, THE COMPTROLLER SHALL ASSESS A PENALTY EQUAL TO:~~

17 ~~(I) IF THE TAX IS PAID WITHIN 30 DAYS AFTER THE DATE  
18 REQUIRED UNDER THIS ARTICLE, 5% OF THE UNPAID TAX;~~

19 ~~(II) IF THE TAX IS PAID ON OR AFTER 31 DAYS AFTER THE DATE  
20 REQUIRED UNDER THIS ARTICLE BUT ON OR BEFORE 60 DAYS AFTER THE DATE  
21 REQUIRED UNDER THIS ARTICLE, 10% OF THE UNPAID TAX;~~

22 ~~(III) IF THE TAX IS PAID ON OR AFTER 61 DAYS AFTER THE DATE  
23 REQUIRED UNDER THIS ARTICLE BUT ON OR BEFORE 90 DAYS AFTER THE DATE  
24 REQUIRED UNDER THIS ARTICLE, 15% OF THE UNPAID TAX;~~

25 ~~(IV) IF THE TAX IS PAID ON OR AFTER 91 DAYS AFTER THE DATE  
26 REQUIRED UNDER THIS ARTICLE BUT ON OR BEFORE 120 DAYS AFTER THE DATE  
27 REQUIRED UNDER THIS ARTICLE, 20% OF THE UNPAID TAX; AND~~

28 ~~(V) IF THE TAX IS PAID ON OR AFTER 121 DAYS AFTER THE DATE  
29 REQUIRED UNDER THIS ARTICLE, 25% OF THE UNPAID TAX.~~

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
31 1, 2016, and shall be applicable to all income tax penalties assessed on or after July 1, 2016.