

# SENATE BILL 844

Q7

6lr1552  
CF HB 1251

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By: **The President (By Request – Maryland Economic Development and Business  
Climate Commission)**

Introduced and read first time: February 5, 2016

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 2016

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

1 AN ACT concerning

### 2 **Interest Rate on Tax Deficiencies and Refunds**

3 FOR the purpose of altering the calculation of the annual interest rate that the Comptroller  
4 sets for tax deficiencies and refunds; and generally relating to the annual interest  
5 rate on tax deficiencies and refunds.

6 BY repealing and reenacting, with amendments,  
7 Article – Tax – General  
8 Section 13–604  
9 Annotated Code of Maryland  
10 (2010 Replacement Volume and 2015 Supplement)

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

### 13 **Article – Tax – General**

14 13–604.

15 (a) The rate of interest for each month or fraction of a month is the percent equal  
16 to one–twelfth of the annual interest rate that the Comptroller sets for the calendar year  
17 under subsection (b) of this section.

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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 (b) On or before October 1 of each year, the Comptroller shall set the annual  
 2 interest rate for the next calendar year on refunds and moneys owed to the State as the  
 3 percent, rounded to the nearest whole number, that is at the percent that equals ~~the~~  
 4 greater of:

5 (1) (I) ~~{13% FOR 2016; or} 11% FOR 2017;~~

6 (II) 12.5% FOR 2017;

7 (III) 12% FOR 2018;

8 (IV) 11.5% FOR 2019;

9 (V) 11% FOR 2020;

10 (VI) 10.5% FOR 2021; AND

11 (VII) 10% FOR 2022 AND EACH YEAR THEREAFTER; OR

12 (2) ~~{3 percentage points above} 8% FOR 2018; AND~~

13 ~~(3) FOR EACH YEAR AFTER 2018,~~ the average prime rate of interest  
 14 quoted by commercial banks to large businesses during the State's previous fiscal year,  
 15 based on determination by the Board of Governors of the Federal Reserve Bank.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 17 1, 2016.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.