

Chapter 642

(House Bill 1054)

AN ACT concerning

Income Tax – Penalties – Assessment Schedule

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

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

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 13–701(b)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

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

Article – Tax – General

13–701.

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, May 19, 2016.