

# SENATE BILL 428

Q7  
SB 260/17 – B&T

8lr1898

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By: **Senators Bates, Cassilly, Eckardt, Edwards, Hershey, Ready, Robinson, Salling, Serafini, Simonaire, and Waugh**

Introduced and read first time: January 25, 2018

Assigned to: Budget and Taxation

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## 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 taxpayer  
4 refunds of certain tax payments; requiring a tax collector to pay interest on certain  
5 taxpayer refunds beginning on a certain date if the overpayment is attributable to  
6 an error or a mistake of a certain entity; repealing a prohibition on a tax collector  
7 paying interest on certain refunds; and generally relating to interest on certain tax  
8 refunds.

9 BY repealing

10 Article – Tax – General  
11 Section 13–603  
12 Annotated Code of Maryland  
13 (2016 Replacement Volume and 2017 Supplement)

14 BY adding to

15 Article – Tax – General  
16 Section 13–603  
17 Annotated Code of Maryland  
18 (2016 Replacement Volume and 2017 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
20 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 §

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 13–901(a)(1) or (2) or (d)(1)(i) or (2) of this title is approved, the tax collector shall pay  
2 interest on the refund from the 45th day after the claim is filed in the manner required in  
3 Subtitle 9 of this title to the date on which the refund is paid.

4 (b) A tax collector may not pay interest on a refund if the claim for refund is:

5 (1) made under any provision other than § 13–901(a)(1) or (2) or (d)(1)(i) or  
6 (2) of this title;

7 (2) based on:

8 (i) an error or mistake of the claimant not attributable to the State  
9 or a unit of the State government;

10 (ii) withholding excess income tax;

11 (iii) an overpayment of estimated financial institution franchise tax  
12 or estimated income tax; or

13 (iv) an overpayment of Maryland estate tax based on an inheritance  
14 tax payment made after payment of Maryland estate tax; or

15 (3) made for Maryland estate tax or Maryland generation–skipping  
16 transfer tax more than 1 year after the event on which the claim is based.]

17 **13–603.**

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

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
28 1, 2018.