

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulation  
Comptroller of the Treasury  
(DLS Control No. 14-002)**

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**Overview and Legal and Fiscal Impact**

This regulation amends COMAR 03.04.02.11, concerning reporting of federal tax adjustments, to conform to § 13-409 of the Tax – General Article.

The regulation presents no legal issue of concern.

There is no fiscal impact on State or local agencies.

**Regulation of COMAR Affected**

**Comptroller of the Treasury:**

Income Tax: Individual: COMAR 03.04.02.11

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**Legal Analysis**

**Summary of Regulation**

The regulation alters the date by which a taxpayer, under specified circumstances, must report to the Comptroller’s Revenue Administration Division an increase of federal net taxable income by the Internal Revenue Service or the nature of a change in the method of reporting, accounting for, or treatment of particular income. The regulation is amended to state that such information must be reported within 90 days after the IRS has *issued*, rather than *made*, its final determination.

**Legal Issue**

The regulation presents no legal issue of concern.

**Statutory Authority and Legislative Intent**

The Comptroller cites §§ 2-103, 10-102.1, and 10-823 of the Tax – General Article. Specifically, § 2-103 requires the Comptroller to adopt reasonable regulations to administer the income tax. Section 10-102.1 requires the Comptroller to provide by regulation for the treatment of income tax imposed on a certain pass-through entity that is paid on behalf of a nonresident entity member that is itself a pass-through entity. The section also authorizes the Comptroller to provide by regulation for the filing of certain returns by a pass-through entity on behalf of certain members and for the application of or exemption from certain taxes for qualifying pass-through

entities. Finally, § 10-823 authorizes the Comptroller to extend the time to file an income tax return under certain circumstances.

The cited authority is correct and complete. The regulation complies with the legislative intent of the law.

### **Technical Corrections and Special Notes**

As submitted, the statement of purpose contained a typographical error. The Office of the Comptroller has indicated it will revise the statement of purpose accordingly.

### **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

#### **Agency Estimate of Projected Fiscal Impact**

The Comptroller's Office advises that the regulation has no impact on State or local governments. The Department of Legislative Services concurs.

#### **Impact on Budget**

There is no impact on the State operating or capital budget.

#### **Agency Estimate of Projected Small Business Impact**

The Comptroller's Office advises that the regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

### **Contact Information**

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