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**By: Chairman, Ways and Means Committee (Departmental - Comptroller)**

Introduced and read first time: January 15, 1997

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Taxes - Procedure - Payment of Taxes in Immediately Available Funds**

3 FOR the purpose of authorizing the Comptroller to require certain persons to make tax  
4 payments in immediately available funds; and generally relating to the payment of  
5 taxes in immediately available funds.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - General  
8 Section 13-104  
9 Annotated Code of Maryland  
10 (1988 Volume and 1996 Supplement)

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

13 **Article - Tax - General**

14 13-104.

15 (a) (1) Subject to the approval of the Treasurer and subject to the limitation  
16 under paragraph (2) of this subsection, the Comptroller or the Department may provide  
17 by regulation for the payment of any unpaid tax liability in connection with a tax return,  
18 report, or other document required to be filed with the Comptroller or the Department  
19 in funds that are immediately available to the State on the date the payment is due.

20 (2) [The] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS  
21 SUBSECTION, THE Comptroller or the Department may not require payment in funds  
22 that are immediately available to the State if the unpaid tax liability in connection with a  
23 tax return, report, or other document is less than \$20,000.

24 (3) THE COMPTROLLER MAY REQUIRE A PERSON WHO IS AN AGENT OF  
25 THE PAYOR OR EMPLOYER AS DEFINED IN § 10-905 OF THIS ARTICLE TO MAKE  
26 PAYMENTS IN IMMEDIATELY AVAILABLE FUNDS ON THE DATE THE PAYMENT IS  
27 DUE BY THE EMPLOYER OR PAYOR IF THE TOTAL AMOUNT OF THE PAYMENTS TO  
28 BE MADE BY THE AGENT FOR ANY PAY PERIOD EXCEEDS \$20,000 IN THE  
29 AGGREGATE.

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1 (b) Any regulations adopted by the Comptroller or the Department under this  
2 section shall establish a suitable means for payment in immediately available funds so as  
3 to insure the availability of those funds to the State on the date of payment.

4 (c) (1) Subject to paragraph (2) of this subsection, if a person fails to pay a tax  
5 imposed under this article on or before the date the tax is due in immediately available  
6 funds as required by the regulations of the Comptroller or the Department, the  
7 Comptroller or the Department shall assess interest and a penalty on the unpaid tax from  
8 the date the tax is due to the date on which the funds from the tax payment become  
9 available to the State.

10 (2) The Comptroller or the Department may waive interest and penalties on  
11 late payments if the person required to pay the tax proves that:

12 (i) the person made a good faith effort to comply with the  
13 requirements of this section; and

14 (ii) the person exercised due diligence to initiate payment correctly  
15 and on a timely basis.

16 (d) This section does not affect any requirement otherwise established by law for  
17 the filing of any return, report, or other document.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 July 1, 1997.