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

Introduced and read first time: January 15, 1997

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: February 4, 1997

CHAPTER ____

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.

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

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

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

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

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

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

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

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