
By: **Delegates Mitchell and Hutchins**
Introduced and read first time: February 10, 1999
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Unpaid Taxes - Interest Rate**

3 FOR the purpose of altering the calculation of the annual interest rate that the
4 Comptroller sets for taxes owed to the State.

5 BY repealing and reenacting, with amendments,
6 Article - Tax - General
7 Section 13-604
8 Annotated Code of Maryland
9 (1997 Replacement Volume and 1998 Supplement)

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

12 **Article - Tax - General**

13 13-604.

14 (a) The rate of interest for each month or fraction of a month is the percent
15 equal to one-twelfth of the annual interest rate that the Comptroller sets for the
16 calendar year under subsection (b) of this section.

17 (b) On or before October 1 of each year, the Comptroller shall set the annual
18 interest rate for the next calendar year as the percent, rounded to the nearest whole
19 number, that is at the percent that equals:

20 (1) for moneys owed to the State, the greater of:

21 (i) [13%] 12%; or

22 (ii) [3] 2 percentage points above the average prime rate of interest
23 quoted by commercial banks to large businesses during the State's previous fiscal
24 year, based on determination by the Board of Governors of the Federal Reserve Bank;
25 and

1 (2) for refunds, 2 percentage points above the average investment yield
2 on State money for the State's previous fiscal year, as published in the Treasurer's
3 Annual Report.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 July 1, 1999.