
By: **Delegates Hixson, Bozman, Gordon, Healey, Howard, Marriott, and
Patterson**

Introduced and read first time: February 7, 2003

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Administration and Compliance**

3 FOR the purpose of repealing certain credits and discounts allowed certain vendors
4 for collecting and remitting to the State certain taxes, fees, and surcharges;
5 requiring that before certain licenses or permits issued by the State are
6 renewed, the issuing authority shall verify through the Office of the Comptroller
7 that certain taxes and unemployment contributions have been paid or that
8 payment has been provided for in a certain manner; requiring certain fiduciary
9 institutions to disclose certain information requested by the Comptroller
10 relative to certain accounts in the name of an individual whose property is
11 subject to a tax lien; providing that certain provisions of law do not prohibit a
12 fiduciary institution from disclosing certain financial records that the
13 Comptroller determines are necessary to enforce the tax laws of the State;
14 altering the time for filing of certain income tax withholding returns under
15 certain circumstances; altering a certain definition to include winnings derived
16 from pari-mutuel wagering in certain provisions of law concerning income
17 subject to withholding for income tax purposes; requiring an employer to base
18 withholding for an employee on not more than the actual number of exemptions
19 allowed on the employee's prior year's return under certain circumstances;
20 requiring the transferee of certain property to withhold and remit to the
21 Comptroller a certain part of the total payment for property that is sold or
22 exchanged by certain nonresidents of the State or certain out-of-state entities;
23 providing that the amounts required to be withheld on the sale or exchange of
24 certain property by certain nonresidents and certain out-of-state entities are a
25 personal liability of the transferee of the property and a lien on the property of
26 the transferee for a certain period of time; altering certain due dates for the
27 filing of a sales and use tax return; altering certain limitations on certain
28 authority of the Comptroller and the Department of Assessments and Taxation
29 to require unpaid tax liability to be paid in funds that are immediately
30 available; providing that certain tax information may be disclosed to certain
31 license issuing authorities of the State required by law to verify certain tax
32 compliance before renewing a license or permit; providing for withholding of a
33 certain part of the contract price under certain contracts with certain
34 contractors that do not maintain a regular place of business in the State,

1 pending certain tax compliance verification; authorizing the Comptroller to
2 request certain information and assistance from financial institutions to enable
3 the Comptroller to enforce the tax laws of the State; requiring a financial
4 institution that receives a request from the Comptroller to submit a certain
5 report to the Comptroller regarding certain persons whose property is subject to
6 a tax lien; prohibiting certain disclosure or use of certain information contained
7 in and related to certain requests by the Comptroller to a financial institution;
8 requiring the Comptroller to promptly give certain notice of a tax lien to certain
9 financial institutions; requiring a financial institution under certain
10 circumstances to seize and attach certain accounts of certain persons whose
11 property is subject to a tax lien; requiring a financial institution under certain
12 circumstances to pay to the Comptroller within a certain period of receiving a
13 certain notice certain amounts in the accounts of certain persons whose property
14 is subject to a tax lien; providing that a tax lien for certain taxes extends to and
15 covers certain salary, wages, or other compensation for personal services;
16 requiring the Comptroller to adopt certain regulations; defining certain terms;
17 making the provisions of this Act severable; providing for the effective dates and
18 application of this Act; and generally relating to tax administration and
19 compliance.

20 BY repealing and reenacting, with amendments,
21 Article 41 - Governor - Executive and Administrative Departments
22 Section 18-105(b)(2) and (3)
23 Annotated Code of Maryland
24 (1997 Replacement Volume and 2002 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article - Business Occupations and Professions
27 Section 1-204
28 Annotated Code of Maryland
29 (2000 Replacement Volume and 2002 Supplement)

30 BY adding to
31 Article - Business Regulation
32 Section 1-210
33 Annotated Code of Maryland
34 (1998 Replacement Volume and 2002 Supplement)

35 BY adding to
36 Article - Environment
37 Section 1-203
38 Annotated Code of Maryland
39 (1996 Replacement Volume and 2002 Supplement)

40 BY repealing and reenacting, with amendments,

1 Article - Environment
2 Section 9-228(g)
3 Annotated Code of Maryland
4 (1996 Replacement Volume and 2002 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article - Financial Institutions
7 Section 1-302 and 1-303
8 Annotated Code of Maryland
9 (1998 Replacement Volume and 2002 Supplement)

10 BY adding to
11 Article - Health Occupations
12 Section 1-213
13 Annotated Code of Maryland
14 (2000 Replacement Volume and 2002 Supplement)

15 BY adding to
16 Article - Natural Resources
17 Section 1-402
18 Annotated Code of Maryland
19 (2000 Replacement Volume and 2002 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - Natural Resources
22 Section 3-302(b)(3) and 8-716.1(a)
23 Annotated Code of Maryland
24 (2000 Replacement Volume and 2002 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article - Public Utility Companies
27 Section 7-203(d)
28 Annotated Code of Maryland
29 (1998 Volume and 2002 Supplement)

30 BY repealing and reenacting, with amendments,
31 Article - State Finance and Procurement
32 Section 3-807(e)
33 Annotated Code of Maryland
34 (2001 Replacement Volume and 2002 Supplement)

35 BY adding to
36 Article - Tax - General

1 Section 1-205, 10-912, 13-803, 13-804, and 13-812
2 Annotated Code of Maryland
3 (1997 Replacement Volume and 2002 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article - Tax - General
6 Section 9-315, 10-822, 10-905(e), 10-910(b), 11-501(a), 11-502(a), 13-104(a),
7 13-203(c), 13-602(a), 13-702(a), and 13-811
8 Annotated Code of Maryland
9 (1997 Replacement Volume and 2002 Supplement)

10 BY adding to
11 Article - Transportation
12 Section 1-103
13 Annotated Code of Maryland
14 (2001 Replacement Volume and 2002 Supplement)

15 BY repealing
16 Article - Tax - General
17 Section 11-105
18 Annotated Code of Maryland
19 (1997 Replacement Volume and 2002 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - Transportation
22 Section 13-812
23 Annotated Code of Maryland
24 (2002 Replacement Volume)

25 BY repealing
26 Article - Tax - General
27 Section 11-105
28 Annotated Code of Maryland
29 (1997 Replacement Volume and 2002 Supplement)
30 (As enacted by Chapter 440, Section 31 of the Acts of the General Assembly of
31 2002)

32 BY repealing and reenacting, with amendments,
33 Article - Transportation
34 Section 13-812
35 Annotated Code of Maryland
36 (2002 Replacement Volume)
37 (As enacted by Chapter 440, Section 31 of the Acts of the General Assembly of

1 2002)

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

4 **Article 41 - Governor - Executive and Administrative Departments**

5 18-105.

6 (b) (2) The Public Service Commission shall direct the telephone companies
7 to add the 911 fee to all current bills rendered for switched local exchange access
8 service in the State. The telephone companies shall act as collection agents for the 911
9 Trust Fund with respect to the fee, and shall remit all proceeds to the Comptroller on
10 a monthly basis. [The telephone companies shall be entitled to credit against the
11 proceeds of the 911 fee to be remitted an amount equal to 0.75 percent of the 911 fee
12 to cover the expenses of billing, collecting, and remitting the 911 fee and any
13 additional charges.] The Comptroller shall deposit the funds in the 911 Trust Fund.

14 (3) The 911 service carriers shall add the 911 fee to all current bills
15 rendered for wireless telephone service or other 911-accessible service in the State.
16 The 911 service carriers shall act as collection agents for the 911 Trust Fund with
17 respect to the fee and shall remit all proceeds to the Comptroller on a monthly basis.
18 [The 911 service carriers shall be entitled to credit against the proceeds of the 911 fee
19 to be remitted an amount equal to 0.75 percent of the 911 fee to cover the expenses of
20 billing, collecting, and remitting the 911 fee and any additional charges.] The
21 Comptroller shall deposit the funds in the 911 Trust Fund.

22 **Article - Business Occupations and Professions**

23 1-204.

24 (A) Before any license or permit may be issued [or renewed] under this
25 article, the applicant shall certify to the issuing authority that the applicant has paid
26 all undisputed taxes and unemployment insurance contributions payable to the
27 Comptroller or the Department of Labor, Licensing, and Regulation or has provided
28 for payment in a manner satisfactory to the unit responsible for collection.

29 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
30 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
31 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
32 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
33 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
34 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
35 RESPONSIBLE FOR COLLECTION.

Article - Business Regulation

1

2 1-210.

3 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
4 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
5 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
6 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
7 LICENSE.

8 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
9 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
10 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
11 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
12 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
13 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
14 RESPONSIBLE FOR COLLECTION.

15

Article - Environment

16 1-203.

17 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
18 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
19 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
20 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
21 LICENSE.

22 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
23 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
24 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
25 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
26 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
27 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
28 RESPONSIBLE FOR COLLECTION.

29 9-228.

30 (g) (1) (i) Beginning on February 1, 1992, a tire recycling fee shall be
31 imposed on the first sale of a new tire in the State by a tire dealer, including new tires
32 sold as part of a new or used vehicle, trailer, farm implement, or other similar
33 machinery.

34 (ii) A county, municipal corporation, or any agency of a county or
35 municipal corporation may not impose any tax, fee, or other charge on the first sale of
36 a new tire by a tire dealer.

37 (2) The tire recycling fee:

38 (i) May not exceed 40 cents per tire; and

1 (ii) Shall be established by the Board of Public Works.

2 (3) For a sale made by a tire dealer to a person who resells tires, the tire
3 dealer shall separately state its recycling fees paid by the tire dealer on the invoice or
4 other document of sale.

5 (4) Each tire dealer shall:

6 (i) Pay the tire recycling fee; and

7 (ii) Complete and submit, under oath, a return and remit the fees to
8 the Comptroller of the Treasury on or before the 21st day of the month that follows
9 the month in which the sale was made, and for other periods and on other dates that
10 the Comptroller specifies by regulation, including periods for which no fees were due.

11 [(5) A tire dealer who timely files a tire recycling fee return and pays the
12 tire recycling fees due is allowed, for the expense of administering and paying the fee,
13 a credit equal to 0.6% of the gross amount of tire recycling fees that the tire dealer is
14 to pay to the Comptroller.]

15 [(6)] (5) If the amount of the tire recycling fee is separately stated in a
16 retail sale, the tire recycling fee is not subject to any tax under Title 11 of the Tax -
17 General Article or Title 13 of the Transportation Article.

18 [(7)] (6) At the end of each quarter, the Comptroller shall forward all tire
19 recycling fees to the Used Tire Cleanup and Recycling Fund, less the costs of
20 administration.

21 [(8)] (7) Except to the extent they are inconsistent with this subsection,
22 the provisions of Title 13 of the Tax - General Article applicable to the sales and use
23 tax shall govern the administration, collection, and enforcement of the tire recycling
24 fee under this subsection.

25 [(9)] (8) The Comptroller:

26 (i) Shall administer the tire recycling fee; and

27 (ii) May adopt any regulations that are necessary or appropriate to
28 administer, collect, and enforce the tire recycling fee.

29 **Article - Financial Institutions**

30 1-302.

31 Except as otherwise expressly provided in this subtitle, a fiduciary institution,
32 its officers, employees, agents, and directors:

33 (1) May not disclose to any person any financial record relating to a
34 customer of the institution unless:

- 1 (i) The customer has authorized the disclosure to that person;
- 2 (ii) Proceedings have been instituted for appointment of a guardian
3 of the property or of the person of the customer, and court-appointed counsel presents
4 to the fiduciary institution an order of appointment or a certified copy of the order
5 issued by or under the direction or supervision of the court or an officer of the court;
- 6 (iii) The customer is disabled and a guardian is appointed or
7 qualified by a court, and the guardian presents to the fiduciary institution an order of
8 appointment or a certified copy of the order issued by or under the direction or
9 supervision of the court or an officer of the court;
- 10 (iv) The customer is deceased and a personal representative is
11 appointed or qualified by a court, and the personal representative presents to the
12 fiduciary institution letters of administration issued by or under the direction or
13 supervision of the court or an officer of the court;
- 14 (v) The Department of Human Resources requests the financial
15 record in the course of verifying the individual's eligibility for public assistance; [or]
- 16 (vi) The institution received a request, notice, or subpoena for
17 information directly from the Child Support Enforcement Administration of the
18 Department of Human Resources under § 10-108.2, § 10-108.3, or § 10-108.5 of the
19 Family Law Article or indirectly through the Federal Parent Locator Service under 42
20 U.S.C. § 666(a)(17); [and] OR
- 21 (VII) THE INSTITUTION RECEIVED A REQUEST, NOTICE, OR
22 SUBPOENA FOR INFORMATION DIRECTLY FROM THE COMPTROLLER UNDER § 13-804
23 OR §13-812 OF THE TAX - GENERAL ARTICLE;
- 24 (2) Shall disclose any information requested in writing by the
25 Department of Human Resources relative to moneys held in a savings deposit, time
26 deposit, demand deposit, or any other deposit held by the fiduciary institution in the
27 name of the individual who is a recipient or applicant for public assistance; AND
- 28 (3) SHALL DISCLOSE ANY INFORMATION REQUESTED IN WRITING BY
29 THE COMPTROLLER RELATIVE TO MONEYS HELD IN A SAVINGS DEPOSIT, TIME
30 DEPOSIT, DEMAND DEPOSIT, OR ANY OTHER DEPOSIT HELD BY THE FIDUCIARY
31 INSTITUTION, EXCEPT THE BALANCE OF THE DEPOSIT, IN THE NAME OF AN
32 INDIVIDUAL WHOSE PROPERTY IS SUBJECT TO A TAX LIEN.

33 1-303.

34 This subtitle does not prohibit:

- 35 (1) The preparation, examination, handling, or maintenance of financial
36 records by any officer, employee, or agent of a fiduciary institution that has custody of
37 the records;

1 (2) The examination of financial records by a certified public accountant
2 while engaged by a fiduciary institution to perform an independent audit;

3 (3) The examination of financial records by, or the disclosure of financial
4 records to, any officer, employee, or agent of a supervisory agency for use only in the
5 exercise of that person's duties as an officer, employee, or agent;

6 (4) The publication of information derived from financial records if the
7 information cannot be identified to any particular customer, deposit, or account;

8 (5) The making of reports or returns required or permitted by federal or
9 State law;

10 (6) The disclosure of any information permitted to be disclosed under
11 those provisions of the Commercial Law Article that relate to the dishonor of a
12 negotiable instrument;

13 (7) The exchange, in the regular course of business, of credit information
14 between a fiduciary institution and any other fiduciary institution or commercial
15 enterprise, if made directly or through a consumer reporting agency;

16 (8) The exchange, in the regular course of business, of a statement of a
17 mortgage account on the subject property in connection with a sale, refinancing, or
18 foreclosure, of real property; or the disclosure, in the regular course of business, of a
19 statement of a mortgage account on the subject property to the holder of any
20 subordinate mortgage or security interest;

21 (9) The disclosure to a State's Attorney of any information in accordance
22 with § 8-104(c) of the Criminal Law Article (regarding the presentation of a
23 certificate under oath to prove insufficient funds and dishonor of checks);

24 (10) A fiduciary institution from disclosing to the Department of Human
25 Resources an individual's financial records that the Department determines are
26 necessary to verify or confirm the individual's eligibility or ineligibility for public
27 assistance;

28 (11) In a prosecution outside the State for the crime of obtaining property
29 or services by bad check, the presentation to the prosecutor of a certificate under oath
30 by an authorized representative of a drawee that declares the dishonor of the check by
31 the drawee, the lack of an account with the drawee at the time of utterance, or the
32 insufficiency of the drawer's funds at the time of presentation and utterance; [or]

33 (12) The disclosure of the financial records of one of its customers by a
34 fiduciary institution to an affiliate that extends credit for the sole purpose of
35 evaluating a requested or existing extension of credit to that customer by an affiliate
36 of the fiduciary institution; OR

37 (13) A FIDUCIARY INSTITUTION FROM DISCLOSING TO THE
38 COMPTROLLER AN INDIVIDUAL'S FINANCIAL RECORDS THAT THE COMPTROLLER
39 DETERMINES ARE NECESSARY TO ENFORCE THE TAX LAWS OF THE STATE.

1

Article - Health Occupations

2 1-213.

3 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
4 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
5 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
6 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
7 LICENSE.

8 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
9 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
10 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
11 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
12 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
13 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
14 RESPONSIBLE FOR COLLECTION.

15

Article - Natural Resources

16 1-402.

17 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
18 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
19 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
20 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
21 LICENSE.

22 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
23 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
24 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
25 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
26 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
27 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
28 RESPONSIBLE FOR COLLECTION.

29 3-302.

30 (b) (3) The Comptroller shall maintain the method of collection of the
31 surcharge from the companies and the collections shall accrue to the Fund. [The
32 Department shall credit against the amount required to be paid into the
33 Environmental Trust Fund by each electric company an amount equal to 1 1/2% of the
34 total surcharge attributed to each company on the basis of the electricity distributed
35 within Maryland.]

36 8-716.1.

37 (a) The dealer shall collect the excise tax for the Department. [For collecting
38 and remitting the tax, a dealer may keep 1.2% of the gross tax the dealer collects. A
39 dealer may not keep 1.2% of any gross tax amounts which were not forwarded to the

1 Department within 30 days of collection, unless a waiver has been approved by the
2 Secretary.]

3

Article - Public Utility Companies

4 7-203.

5 (d) [(1)] Notwithstanding any other provision of this subtitle, the amount of
6 the surcharge for each account of each retail electric customer may not exceed the
7 lesser of 0.15 mill per kilowatt hour or \$1,000 per month.

8 [(2)] The Department of Natural Resources shall credit against the
9 amount the Commission requires each electric company to pay into the
10 Environmental Trust Fund 0.75% of the total surcharge amount attributed to the
11 electric company on the basis of the amount of the electricity distributed in the
12 State.]

13

Article - State Finance and Procurement

14 3-807.

15 (e) The affected telephone companies shall act as collection agents for the
16 Universal Service Trust Fund and shall remit all proceeds monthly to the Comptroller
17 for deposit to the Universal Service Trust Fund. [The telephone companies shall be
18 entitled to credit against these proceeds in an amount equal to 1 1/2 percent of these
19 proceeds to cover the expenses of billing, collecting, and remitting the surcharge and
20 any additional charges.]

21

Article - Tax - General

22 1-205.

23 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
24 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
25 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
26 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
27 LICENSE.

28 (B) BEFORE ANY LICENSE OR PERMIT ISSUED BY THE COMPTROLLER MAY BE
29 RENEWED, THE COMPTROLLER SHALL VERIFY THAT THE APPLICANT HAS PAID ALL
30 UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE
31 TO THE COMPTROLLER OR THE SECRETARY OF LABOR, LICENSING, AND
32 REGULATION OR THAT THE APPLICANT HAS PROVIDED FOR PAYMENT IN A MANNER
33 SATISFACTORY TO THE UNIT RESPONSIBLE FOR COLLECTION.

34 9-315.

35 [(a)] [A licensed dealer or licensed special fuel seller shall deduct 0.5% of the
36 1st 10 cents of the motor fuel tax on each gallon of motor fuel, as a discount:

1 (1) instead of an] THE MOTOR FUEL TAX SHALL BE PAID WITHOUT ANY
2 allowance for evaporation, shrinkage, [and] OR handling [; and].

3 [(2) to reimburse the licensed dealer or licensed special fuel seller for
4 expenses incurred for the State in:

5 (i) keeping records;

6 (ii) collecting and paying the tax; and

7 (iii) preparing reports.

8 (b) (1) This subsection does not apply to:

9 (i) any aviation gasoline; or

10 (ii) any other motor fuel on which the motor fuel tax has not been
11 paid.

12 (2) From the discount under subsection (a) of this section:

13 (i) a licensed dealer who sells gasoline to a retail service station
14 dealer shall deduct on the bill 1/2 of the discount;

15 (ii) a licensed dealer who sells gasoline to a licensed distributor or
16 licensed special fuel seller shall deduct on the bill 2/3 of the discount;

17 (iii) a licensed distributor who sells motor fuel to a retail service
18 station dealer shall deduct on the bill 1/3 of the discount;

19 (iv) a licensed special fuel seller who sells special fuel to a retail
20 service station dealer shall deduct on the bill 1/2 of the discount;

21 (v) a licensed special fuel seller who sells special fuel to a licensed
22 distributor shall deduct on the bill 2/3 of the discount; and

23 (vi) a licensed special fuel seller who sells gasoline to a licensed
24 distributor shall deduct on the bill 1/3 of the discount.]

25 10-822.

26 (a) (1) Except as provided in paragraphs (2) and (3) of this subsection, each
27 person required under §10-906 of this title to withhold income tax shall complete and
28 file with the Comptroller a quarterly income tax withholding return, on or before the
29 last day of the month that follows the calendar quarter in which that income tax was
30 withheld.

31 (2) [If] SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF the person
32 reasonably expects the total amount of income tax required to be withheld in a
33 quarterly period to be \$700 or more, instead of a quarterly income tax withholding

1 return the person shall complete and file with the Comptroller a monthly income tax
2 withholding return:

- 3 (i) for the month of January, on or before February 15;
- 4 (ii) for the month of February, on or before March 15;
- 5 (iii) for the month of March, on or before April [30] 15;
- 6 (iv) for the month of April, on or before May 15;
- 7 (v) for the month of May, on or before June 15;
- 8 (vi) for the month of June, on or before July [31] 15;
- 9 (vii) for the month of July, on or before August 15;
- 10 (viii) for the month of August, on or before September 15;
- 11 (ix) for the month of September, on or before October [31] 15;
- 12 (x) for the month of October, on or before November 15;
- 13 (xi) for the month of November, on or before December 15; and
- 14 (xii) For the month of December, on or before January [31] 15.

15 (3) If the person reasonably expects the total amount of income tax
16 required to be withheld in a calendar year to be less than \$250 instead of a quarterly
17 income tax withholding return the person shall complete and file with the
18 Comptroller an annual income tax withholding return on or before January 31 that
19 follows that calendar year.

20 (B) IF A PERSON WAS REQUIRED TO WITHHOLD \$15,000 OR MORE FOR THE
21 PRECEDING CALENDAR YEAR, THE PERSON SHALL COMPLETE AND FILE AN INCOME
22 TAX WITHHOLDING RETURN WITH THE COMPTROLLER WITHIN 3 BUSINESS DAYS
23 FOLLOWING EACH PAYROLL THAT CAUSES THE TOTAL ACCUMULATED TAX
24 WITHHELD TO EQUAL OR EXCEED \$700.

25 [(b)] (C) (1) A person required to file a quarterly or monthly income tax
26 withholding return shall continue to file returns, whether or not the person is
27 withholding any income tax, until the person gives the Comptroller written notice
28 that the person no longer has employees or no longer is liable to file the return.

29 (2) A PERSON REQUIRED TO FILE RETURNS UNDER SUBSECTION (B) OF
30 THIS SECTION SHALL FILE A RETURN AT LEAST ONCE EVERY 3 MONTHS UNTIL THE
31 PERSON GIVES THE COMPTROLLER WRITTEN NOTICE THAT THE PERSON NO LONGER
32 HAS EMPLOYEES OR NO LONGER IS LIABLE TO FILE THE RETURN.

1 [(c) A person who files a written request to change to a quarterly return filing
2 because the person withholds less than \$700 each quarter may be allowed to change
3 to a quarterly basis at the beginning of the calendar year after the request.]

4 (D) EACH PERSON REQUIRED TO FILE A RETURN UNDER THIS SECTION SHALL
5 FILE RETURNS FOR OTHER PERIODS AND ON OTHER DATES AS THE COMPTROLLER
6 SPECIFIES BY REGULATION, INCLUDING PERIODS IN WHICH THE PERSON DOES NOT
7 PAY WAGES SUBJECT TO WITHHOLDING.

8 10-905.

9 (e) "Wagering" includes:

10 (1) any lottery, including the State lottery; AND

11 (2) ANY PARI-MUTUEL WAGERING, INCLUDING ANY PARI-MUTUEL
12 WAGERING CONDUCTED UNDER TITLE 11 OF THE BUSINESS REGULATION ARTICLE.

13 10-910.

14 (b) (1) [An] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
15 AN employer shall base withholding for an employee:

16 [(1)] (I) on the number of exemptions stated in the exemption certificate
17 that the employee files; or

18 [(2)] (II) if the employee fails to file an exemption certificate or files an
19 invalid certificate under subsection (c) of this section, on 1 exemption.

20 (2) IF THE COMPTROLLER NOTIFIES AN EMPLOYER THAT AN EMPLOYEE
21 HAS AN UNPAID TAX LIABILITY, THE EMPLOYER SHALL BASE WITHHOLDING FOR THE
22 EMPLOYEE ON A NUMBER OF EXEMPTIONS NOT EXCEEDING THE ACTUAL NUMBER
23 OF EXEMPTIONS ALLOWED ON THE EMPLOYEE'S PRIOR YEAR'S INCOME TAX RETURN,
24 AS SPECIFIED BY THE COMPTROLLER.

25 10-912.

26 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
27 INDICATED.

28 (2) "NONRESIDENT CORPORATION" MEANS A CORPORATION THAT:

29 (I) IS NOT INCORPORATED IN THE STATE; AND

30 (II) IS NOT QUALIFIED BY THE DEPARTMENT OF ASSESSMENTS
31 AND TAXATION TO DO BUSINESS IN THE STATE.

32 (3) "TOTAL PAYMENT" MEANS THE NET PROCEEDS OF A SALE ACTUALLY
33 PAID TO A NONRESIDENT OR NONRESIDENT CORPORATION TRANSFEROR INCLUDING
34 THE FAIR MARKET VALUE OF ANY PROPERTY TO BE TRANSFERRED TO THE
35 TRANSFEROR.

1 (B) IN A SALE OR EXCHANGE OF REAL PROPERTY AND ASSOCIATED TANGIBLE
2 PERSONAL PROPERTY OWNED BY A NONRESIDENT OR NONRESIDENT CORPORATION,
3 THE TRANSFEREE OF THE PROPERTY SHALL DEDUCT AND WITHHOLD FROM THE
4 PAYMENT TO THE TRANSFEROR AN AMOUNT EQUAL TO 3% OF THE TOTAL PAYMENT.

5 (C) (1) A TRANSFEREE SUBJECT TO THE WITHHOLDING, DEDUCTION, AND
6 PAYMENT PROVISIONS OF THIS SECTION IS PERSONALLY LIABLE FOR ALL AMOUNTS
7 WITHHELD OR REQUIRED TO BE WITHHELD.

8 (2) THE AMOUNT REQUIRED TO BE WITHHELD UNDER THE PROVISIONS
9 OF THIS SECTION SHALL, UNTIL REMITTED, CONSTITUTE A LIEN UPON THE
10 PROPERTY OF THE TRANSFEREE.

11 (D) WITHIN 3 BUSINESS DAYS AFTER THE DATE OF CLOSING ON THE SALE OR
12 EXCHANGE OF THE PROPERTY, THE TRANSFEREE SHALL PAY OVER TO THE
13 COMPTROLLER THE AMOUNT DEDUCTED AND WITHHELD UNDER SUBSECTION (B) OF
14 THIS SECTION, USING FORMS PRESCRIBED BY THE COMPTROLLER.

15 (E) (1) AMOUNTS DEDUCTED AND WITHHELD UNDER SUBSECTION (B) OF
16 THIS SUBSECTION AND PAID OVER TO THE COMPTROLLER UNDER SUBSECTION (D)
17 OF THIS SECTION SHALL BE DEEMED TO HAVE BEEN PAID TO THE COMPTROLLER ON
18 BEHALF OF THE TRANSFEROR FROM WHOM THE AMOUNTS WERE WITHHELD.

19 (2) THE TRANSFEROR SHALL BE CREDITED WITH HAVING PAID THE
20 AMOUNTS FOR THE TAXABLE YEAR IN WHICH THE TRANSACTION THAT IS THE
21 SUBJECT OF THE TAX OCCURRED.

22 (F) THE CLOSING ATTORNEY, LENDING INSTITUTION, AND REAL ESTATE
23 AGENT OR BROKER IN ANY TRANSACTION SUBJECT TO THIS SECTION ARE NOT
24 LIABLE FOR ANY AMOUNTS REQUIRED TO BE DEDUCTED, WITHHELD, AND PAID
25 OVER TO THE COMPTROLLER UNDER THIS SECTION.

26 (G) NOTWITHSTANDING SUBSECTION (C)(2) OF THIS SECTION, A LIEN
27 CREATED UNDER THIS SECTION SHALL CEASE TO BE A LIEN ON OR ENFORCEABLE
28 AGAINST REAL ESTATE 10 YEARS AFTER THE DATE OF THE SALE OF REAL PROPERTY
29 AND ASSOCIATED TANGIBLE PERSONAL PROPERTY THAT GAVE RISE TO THE LIEN.

30 (H) THIS SECTION DOES NOT:

31 (1) IMPOSE ANY TAX ON A TRANSFEROR OR AFFECT ANY LIABILITY OF
32 THE TRANSFEROR FOR ANY TAX; OR

33 (2) PROHIBIT THE COMPTROLLER FROM COLLECTING ANY TAXES DUE
34 FROM A TRANSFEROR IN ANY OTHER MANNER AUTHORIZED BY LAW.

35 (I) THE COMPTROLLER SHALL ADOPT REGULATIONS TO ADMINISTER THIS
36 SECTION.

1 11-501.

2 (a) A buyer who fails to pay the sales and use tax on a purchase or use subject
3 to the tax to the vendor as required in § 11-403 of this title or who is required by
4 regulation to file a return for a purchase or use subject to the tax shall complete,
5 under oath, and file with the Comptroller a sales and use tax return:

6 (1) on or before the [21st] 20TH day of the month that follows the month
7 in which the buyer makes that purchase or use; and

8 (2) for other periods and on other dates that the Comptroller specifies, by
9 regulation, including periods in which the buyer does not make any purchase or use
10 subject to the sales and use tax.

11 11-502.

12 (a) Each vendor shall complete, under oath, and file with the Comptroller a
13 sales and use tax return:

14 (1) on or before the [21st] 20TH day of the month that follows the month
15 in which the vendor makes any retail sale or sale for use; and

16 (2) for other periods and on other dates that the Comptroller specifies by
17 regulation, including periods in which the vendor does not make any retail sale or
18 sale for use.

19 13-104.

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

26 (2) Except as provided in paragraph (3) of this subsection, the
27 Comptroller or the Department may not require payment in funds that are
28 immediately available to the State if the unpaid tax liability in connection with a tax
29 return, report, or other document is less than [~~\$20,000~~] \$10,000.

30 (3) (i) The Comptroller may require a person who is an agent of the
31 payor or employer as defined in § 10-905 of this article to make payments in
32 immediately available funds on the date the payment is due by the employer or payor
33 if the total amount of the payments to be made by the agent for any pay period
34 exceeds [~~\$20,000~~] \$10,000 in the aggregate.

35 (ii) Any amounts for which an agent has not received timely
36 payment from an employer or payor:

1 1. shall be excluded for purposes of determining whether the
2 total amount of payments to be made by an agent for a pay period exceeds [\$20,000]
3 \$10,000 in the aggregate; and

4 2. may not be required to be paid in immediately available
5 funds under this paragraph.

6 (iii) This paragraph does not impose or affect liability for the
7 payment of any tax.

8 13-203.

9 (c) Tax information may be disclosed to:

10 (1) an employee or officer of the State who, by reason of that employment
11 or office, has the right to the tax information;

12 (2) another tax collector;

13 (3) the Maryland Tax Court; [and]

14 (4) a legal representative of the State, to review the tax information
15 about a taxpayer:

16 (i) who applies for review under this title;

17 (ii) who appeals from a determination under this title; or

18 (iii) against whom an action to recover tax or a penalty is pending or
19 will be initiated under this title; AND

20 (5) ANY LICENSE ISSUING AUTHORITY OF THE STATE REQUIRED BY
21 STATE LAW TO VERIFY THROUGH THE COMPTROLLER THAT AN APPLICANT HAS PAID
22 ALL UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS
23 PAYABLE TO THE COMPTROLLER OR THE SECRETARY OF LABOR, LICENSING, AND
24 REGULATION OR THAT THE APPLICANT HAS PROVIDED FOR PAYMENT IN A MANNER
25 SATISFACTORY TO THE UNIT RESPONSIBLE FOR COLLECTION.

26 13-602.

27 (a) Except as provided in subsections (b) and (c) of this section, a tax collector
28 shall assess interest on unpaid tax from the due date to the date on which the tax is
29 paid if a person who is required to estimate and pay financial institution franchise
30 tax, public service company franchise tax, or income tax under § 8-210(b), § 8-405(b),
31 or § 10-902 of this article:

32 (1) fails to pay an installment when due; or

33 (2) estimates a tax that is:

1 (i) less than 90% of the tax required to be shown on the return for
2 the current taxable year; and

3 (ii) less than 110% OF the tax paid for the prior taxable year,
4 reduced by the credit allowed under § 10-703 of this article.

5 13-702.

6 (a) Except as provided in subsections (b) and (c) of this section, a tax collector
7 shall assess a penalty not exceeding 25% of the amount underestimated, if a person
8 who is required to estimate and pay financial institution franchise tax, public service
9 company franchise tax, or income tax under § 8-210(b), § 8-405(b), or § 10-902 of this
10 article:

11 (1) fails to pay an installment when due; or

12 (2) estimates a tax that is:

13 (i) less than 90% of the tax required to be shown on the return for
14 the current taxable year; and

15 (ii) less than 110% OF the tax paid for the prior taxable year,
16 reduced by the credit allowed under § 10-703 of this article.

17 13-803.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (2) "NONRESIDENT CONTRACTOR" MEANS A CONTRACTOR THAT DOES
21 NOT MAINTAIN A REGULAR PLACE OF BUSINESS IN THIS STATE.

22 (3) (I) "REGULAR PLACE OF BUSINESS" MEANS:

23 1. A BONA FIDE OFFICE, OTHER THAN A STATUTORY OFFICE;

24 2. A FACTORY;

25 3. A WAREHOUSE; OR

26 4. ANY OTHER SPACE IN THIS STATE:

27 A. AT WHICH A PERSON IS DOING BUSINESS IN ITS OWN
28 NAME IN A REGULAR AND SYSTEMATIC MANNER; AND

29 B. THAT IS CONTINUOUSLY MAINTAINED, OCCUPIED, AND
30 USED BY THE PERSON IN CARRYING ON ITS BUSINESS THROUGH ITS REGULAR
31 EMPLOYEES REGULARLY IN ATTENDANCE.

32 (II) "REGULAR PLACE OF BUSINESS" DOES NOT INCLUDE A
33 TEMPORARY OFFICE AT THE SITE OF CONSTRUCTION.

1 (B) (1) ANY PERSON DOING BUSINESS WITH A NONRESIDENT CONTRACTOR
2 UNDER A CONTRACT THAT EQUALS OR EXCEEDS \$50,000 OR REASONABLY CAN BE
3 EXPECTED TO EQUAL OR EXCEED \$50,000 SHALL WITHHOLD PAYMENT OF 3% OF THE
4 CONTRACT PRICE UNTIL 30 DAYS AFTER THE NONRESIDENT CONTRACTOR HAS:

5 (I) COMPLETED THE CONTRACT;

6 (II) REQUESTED IN WRITING FOR THE COMPTROLLER TO ISSUE A
7 TAX CLEARANCE CERTIFICATE; AND

8 (III) PROVIDED A RECEIPTED COPY OF THE REQUEST TO THE
9 PERSON REQUIRED TO WITHHOLD THE PAYMENT.

10 (2) WITHIN 30 DAYS AFTER RECEIPT OF A WRITTEN REQUEST FOR A TAX
11 CLEARANCE CERTIFICATE, THE COMPTROLLER SHALL FURNISH TO THE
12 NONRESIDENT CONTRACTOR AND TO THE PERSON REQUIRED TO WITHHOLD THE
13 PAYMENT:

14 (I) A CERTIFICATE OF NO TAX DUE FROM THE NONRESIDENT
15 CONTRACTOR; OR

16 (II) A CERTIFICATE THAT TAXES ARE DUE, INCLUDING THE
17 AMOUNT OF SALES AND USE TAX, INCOME TAX WITHHELD, OR BOTH, DUE FROM THE
18 NONRESIDENT CONTRACTOR INCLUDING ANY INTEREST AND PENALTIES.

19 (C) (1) IF THE COMPTROLLER FURNISHES A CERTIFICATE OF NO TAX DUE
20 FROM THE NONRESIDENT CONTRACTOR OR IF THE COMPTROLLER FAILS TO
21 PROVIDE WITHIN 30 DAYS AFTER RECEIPT OF A WRITTEN REQUEST FOR A TAX
22 CLEARANCE CERTIFICATE, TO BOTH THE NONRESIDENT CONTRACTOR AND THE
23 PERSON REQUIRED TO WITHHOLD THE PAYMENT, A CERTIFICATE UNDER
24 SUBSECTION (B)(2)(I) OR (II) OF THIS SECTION, THE PERSON REQUIRED TO WITHHOLD
25 THE PAYMENT MAY PAY THE NONRESIDENT CONTRACTOR THE AMOUNT WITHHELD
26 UNDER THE TERMS OF THE CONTRACT FREE FROM ANY CLAIMS OF THE
27 COMPTROLLER AGAINST THE PERSON REQUIRED TO WITHHOLD THE PAYMENT.

28 (2) IF THE COMPTROLLER FURNISHES A CERTIFICATE THAT TAXES ARE
29 DUE FROM THE NONRESIDENT CONTRACTOR, THE PERSON REQUIRED TO WITHHOLD
30 THE PAYMENT:

31 (I) SHALL PAY OVER TO THE COMPTROLLER THE AMOUNT DUE AS
32 STATED IN THE CERTIFICATE UP TO 3% OF THE CONTRACT PRICE, TAKING A RECEIPT
33 FOR THE AMOUNT; AND

34 (II) MAY PAY TO THE NONRESIDENT CONTRACTOR THE EXCESS OF
35 THE AMOUNT WITHHELD OVER THE AMOUNT DUE AS STATED IN THE CERTIFICATE.

36 (3) ON PAYING OVER AMOUNTS WITHHELD TO THE COMPTROLLER AS
37 REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE PERSON REQUIRED TO
38 WITHHOLD THE PAYMENT IS FREE FROM:

1 (I) ANY CLAIM OF THE NONRESIDENT CONTRACTOR FOR THAT
2 AMOUNT; AND

3 (II) ANY CLAIM OF THE COMPTROLLER FOR TAXES DUE FROM THE
4 NONRESIDENT CONTRACTOR.

5 (D) (1) A PERSON THAT FAILS TO WITHHOLD OR TO PAY OVER THE
6 AMOUNTS WITHHELD AS REQUIRED IN THIS SECTION SHALL BE PERSONALLY
7 LIABLE FOR THE PAYMENT OF ANY SALES AND USE TAX OR INCOME TAX WITHHELD
8 ATTRIBUTABLE TO THE CONTRACT UP TO 3% OF THE CONTRACT PRICE.

9 (2) THE AMOUNTS UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL
10 BE RECOVERABLE BY THE COMPTROLLER BY APPROPRIATE LEGAL PROCEEDINGS,
11 WHICH MAY INCLUDE THE ISSUANCE OF AN ASSESSMENT UNDER THIS ARTICLE.

12 (E) (1) A NONRESIDENT CONTRACTOR'S LIABILITY FOR ANY SALES AND USE
13 TAX OR INCOME TAX WITHHELD ATTRIBUTABLE TO A CONTRACT THAT IS SUBJECT
14 TO THIS SECTION IS NOT AFFECTED BY:

15 (I) THE COMPTROLLER'S FAILURE TO PROVIDE A CERTIFICATE
16 UNDER SUBSECTION (B)(2)(I) OR (II) OF THIS SECTION WITHIN 30 DAYS AFTER
17 RECEIPT OF A WRITTEN REQUEST FOR A TAX CLEARANCE CERTIFICATE; OR

18 (II) THE ISSUANCE OF AN ERRONEOUS CERTIFICATE BY THE
19 COMPTROLLER UNDER THIS SECTION.

20 (2) THE RELEASE OF PAYMENT WITHHELD UNDER THIS SECTION TO A
21 NONRESIDENT CONTRACTOR OR THE PAYMENT OVER OF AMOUNTS WITHHELD TO
22 THE COMPTROLLER BY A PERSON REQUIRED TO WITHHOLD PAYMENT UNDER THIS
23 SECTION DOES NOT AFFECT A NONRESIDENT CONTRACTOR'S LIABILITY FOR ANY
24 SALES AND USE TAX OR INCOME TAX WITHHELD IN EXCESS OF THE AMOUNT PAID
25 OVER TO THE COMPTROLLER.

26 (3) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE
27 COMPTROLLER FROM COLLECTING TAXES DUE FROM A NONRESIDENT CONTRACTOR
28 IN ANY OTHER MANNER AUTHORIZED BY LAW.

29 13-804.

30 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
31 INDICATED.

32 (2) "ACCOUNT", "ACCOUNT HOLDER OF INTEREST", AND "FINANCIAL
33 INSTITUTION" HAVE THE MEANINGS STATED IN § 10-108.2 OF THE FAMILY LAW
34 ARTICLE.

35 (3) "OBLIGOR" MEANS A PERSON WHOSE PROPERTY IS SUBJECT TO A
36 TAX LIEN.

1 (B) THE COMPTROLLER MAY REQUEST FROM A FINANCIAL INSTITUTION
2 INFORMATION AND ASSISTANCE TO ENABLE THE COMPTROLLER TO ENFORCE THE
3 TAX LAWS OF THE STATE.

4 (C) (1) THE COMPTROLLER MAY REQUEST NOT MORE THAN FOUR TIMES A
5 YEAR FROM A FINANCIAL INSTITUTION THE INFORMATION SET FORTH IN
6 SUBSECTION (D)(2) OF THIS SECTION CONCERNING ANY OBLIGOR WHO IS
7 DELINQUENT IN THE PAYMENT OF TAXES.

8 (2) A REQUEST FOR INFORMATION BY THE COMPTROLLER UNDER
9 PARAGRAPH (1) OF THIS SUBSECTION SHALL:

10 (I) CONTAIN:

11 1. THE FULL NAME OF THE OBLIGOR AND ANY OTHER
12 NAMES KNOWN TO BE USED BY THE OBLIGOR; AND

13 2. THE SOCIAL SECURITY NUMBER OR OTHER TAXPAYER
14 IDENTIFICATION NUMBER OF THE OBLIGOR; AND

15 (II) BE TRANSMITTED TO THE FINANCIAL INSTITUTION IN AN
16 ELECTRONIC FORMAT UNLESS THE FINANCIAL INSTITUTION SPECIFICALLY ASKS
17 THE COMPTROLLER TO SUBMIT THE REQUEST IN WRITING.

18 (D) (1) WITHIN 30 DAYS AFTER A FINANCIAL INSTITUTION RECEIVES A
19 REQUEST FOR INFORMATION UNDER SUBSECTION (C) OF THIS SECTION, THE
20 FINANCIAL INSTITUTION SHALL, WITH RESPECT TO EACH OBLIGOR WHOSE NAME
21 THE COMPTROLLER SUBMITTED TO THE FINANCIAL INSTITUTION, SUBMIT A REPORT
22 TO THE COMPTROLLER.

23 (2) THE REPORT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION
24 SHALL CONTAIN, TO THE EXTENT REFLECTED IN THE RECORDS OF THE FINANCIAL
25 INSTITUTION:

26 (I) THE FULL NAME OF THE OBLIGOR;

27 (II) THE ADDRESS OF THE OBLIGOR;

28 (III) THE SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION
29 NUMBER OF THE OBLIGOR;

30 (IV) ANY OTHER IDENTIFYING INFORMATION NEEDED TO ASSURE
31 POSITIVE IDENTIFICATION OF THE OBLIGOR; AND

32 (V) FOR EACH ACCOUNT OF THE OBLIGOR, THE OBLIGOR'S
33 ACCOUNT NUMBER.

34 (3) A REPORT SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION
35 SHALL BE PROVIDED TO THE COMPTROLLER IN MACHINE-READABLE FORM.

1 (4) THE COMPTROLLER SHALL PAY THE FINANCIAL INSTITUTION A
2 REASONABLE FEE, NOT TO EXCEED THE ACTUAL COSTS INCURRED BY THE
3 FINANCIAL INSTITUTION TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION,
4 LESS ANY FEES RECEIVED FROM OTHER UNITS OF THE STATE FOR THE SAME
5 REPORT.

6 (5) THE COMPTROLLER MAY INSTITUTE CIVIL PROCEEDINGS TO
7 ENFORCE THIS SECTION.

8 (E) A FINANCIAL INSTITUTION THAT COMPLIES WITH A REQUEST FROM THE
9 COMPTROLLER BY SUBMITTING A REPORT TO THE COMPTROLLER IN ACCORDANCE
10 WITH SUBSECTION (D) OF THIS SECTION IS NOT LIABLE UNDER STATE LAW TO ANY
11 PERSON FOR ANY:

12 (1) DISCLOSURE OF INFORMATION TO THE COMPTROLLER UNDER THIS
13 SECTION; OR

14 (2) OTHER ACTION TAKEN IN GOOD FAITH TO COMPLY WITH THE
15 REQUIREMENTS OF THIS SECTION.

16 (F) (1) A FINANCIAL INSTITUTION THAT RECEIVES A REQUEST FOR
17 INFORMATION UNDER SUBSECTION (C) OF THIS SECTION:

18 (I) MAY NOT DISCLOSE ANY INFORMATION CONTAINED IN THE
19 REQUEST EXCEPT TO AN AUTHORIZED EMPLOYEE OF THE FINANCIAL INSTITUTION
20 ENGAGED IN COMPLYING WITH THE REPORTING REQUIREMENTS OF THIS SECTION;
21 AND

22 (II) SHALL ALLOW ITS AUTHORIZED EMPLOYEES TO USE THAT
23 INFORMATION ONLY AS REQUIRED IN PERFORMING THEIR DUTIES FOR THE
24 COMPTROLLER AND MAY NOT OTHERWISE COPY, REPRODUCE, RETAIN, OR STORE
25 ANY INFORMATION EXCEPT AS INSTRUCTED BY THE COMPTROLLER.

26 (2) ANY INFORMATION ACQUIRED BY THE FINANCIAL INSTITUTION
27 FROM THE COMPTROLLER REMAINS THE PROPERTY OF THE COMPTROLLER AND
28 MUST BE RETURNED TO THE COMPTROLLER ALONG WITH THE REPORT REQUIRED
29 UNDER SUBSECTION (D) OF THIS SECTION.

30 (3) A FINANCIAL INSTITUTION FURNISHING A REPORT TO THE
31 COMPTROLLER UNDER THIS SECTION IS PROHIBITED FROM DISCLOSING TO AN
32 OBLIGOR THAT THE NAME OF THAT OBLIGOR HAS BEEN RECEIVED FROM OR
33 FURNISHED TO THE COMPTROLLER.

34 13-811.

35 (a) (1) In this section [,"paymaster":

36 (1) means] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

37 (2) "PAYMASTER":

1 (I) MEANS an employer's officer, representative, agent, or employee
2 charged with the duty of paying salary, wages, or other compensation for personal
3 services to an employee named in a notice of lien; and

4 [(2)] (II) if the person named in a notice of lien is employed by the federal
5 government or its instrumentality with an office in the State where employee records
6 are kept, whether or not payroll records are kept or the payroll is prepared at that
7 office, includes the employee who:

8 [(i)] 1. is designated to keep and maintain employee records in
9 that office; and

10 [(ii)] 2. is or may be designated to receive and distribute pay
11 checks to the employees.

12 (3) "TAX WAGE LIEN" MEANS THE LIEN ON WAGES DESCRIBED IN THIS
13 SECTION.

14 (B) A TAX LIEN FOR ANY TAX ADMINISTERED BY THE COMPTROLLER UNDER
15 THIS ARTICLE EXTENDS TO AND COVERS ALL SALARY, WAGES, OR OTHER
16 COMPENSATION FOR PERSONAL SERVICES THAT IS DUE OR BECOMES PAYABLE ON
17 OR AFTER THE TIME THE LIEN ARISES.

18 [(b)] (C) The Comptroller promptly shall give notice of [an income] A tax
19 wage lien that states the lien amount, THE TYPE OF TAX, and the name of the person
20 against whom the lien is taken by:

21 (1) certified mail, return receipt requested, under the postmark of the
22 United States Postal Service, to the employer; or

23 (2) personal service on the employer.

24 [(c)] (D) (1) If an employer knows or has reason to know of the import of the
25 contents of the certified mail and refuses to accept its delivery, service as required
26 under subsection [(b)(1)] (C)(1) of this section is made when delivery is refused.

27 (2) Service as required under subsection [(b)(2)] (C)(2) of this section is
28 made when personal service is made on an officer or paymaster of the employer.

29 [(d)] (E) (1) From salary, wages, or other compensation for personal services
30 that is due or becomes payable on or after the date on which a notice of wage lien is
31 served to the date on which a notice of satisfaction or release of the wage lien is
32 received, an employer or paymaster promptly shall pay to the Comptroller any salary,
33 wages, or other compensation due to the delinquent taxpayer, excluding only those
34 amounts specified in paragraph (2) of this subsection.

35 (2) The amount excluded under paragraph (1) of this subsection from
36 amounts paid to the delinquent taxpayer is the amount exempt from attachment
37 provided in § 15-601.1 of the Commercial Law Article.

1 [(e)] (F) The Comptroller promptly shall give a notice of satisfaction or release
2 of [an income] A tax wage lien to each employer or paymaster who received notice of
3 the wage lien.

4 [(f)] (G) If, after service of a notice of [income] A tax wage lien, an employer
5 or paymaster pays an employee salary, wages, or other compensation for personal
6 services in excess of the amount allowed in subsection [(d)(2)] (E)(2) of this section,
7 the employer or paymaster or both shall be personally liable for the excess amount
8 paid to the employee. However, the total amount that the Comptroller recovers may
9 not exceed the total amount paid to the employee in violation of this section.

10 13-812.

11 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
12 INDICATED.

13 (2) "ACCOUNT", "ACCOUNT HOLDER OF INTEREST", AND "FINANCIAL
14 INSTITUTION" HAVE THE MEANINGS STATED IN § 10-108.2 OF THE FAMILY LAW
15 ARTICLE.

16 (3) "OBLIGOR" MEANS A PERSON WHOSE PROPERTY IS SUBJECT TO A
17 TAX LIEN.

18 (B) (1) (I) THE COMPTROLLER PROMPTLY SHALL GIVE NOTICE OF A TAX
19 LIEN TO ANY FINANCIAL INSTITUTION THAT THE COMPTROLLER REASONABLY
20 BELIEVES HOLDS PROPERTY SUBJECT TO A TAX LIEN.

21 (II) THE NOTICE TO BE SENT UNDER THIS PARAGRAPH SHALL BE
22 PROVIDED BY:

23 1. CERTIFIED MAIL, RETURN RECEIPT REQUESTED, UNDER
24 THE POSTMARK OF THE UNITED STATES POSTAL SERVICE;

25 2. AN ELECTRONIC FORMAT; OR

26 3. OTHER REASONABLE MANNER AS DETERMINED BY THE
27 COMPTROLLER.

28 (2) THE NOTICE TO BE SENT BY THE COMPTROLLER TO A FINANCIAL
29 INSTITUTION UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL CONTAIN:

30 (I) THE NAME OF THE OBLIGOR;

31 (II) THE AMOUNT OF THE TAX LIEN;

32 (III) THE LAST KNOWN ADDRESS OF THE OBLIGOR;

33 (IV) THE SOCIAL SECURITY NUMBER OF THE OBLIGOR; AND

34 (V) A NOTICE TO IMMEDIATELY SEIZE AND ATTACH ALL ACCOUNTS
35 HELD BY THE FINANCIAL INSTITUTION IN THE NAME OF THE OBLIGOR.

1 (C) (1) ON RECEIPT OF THE NOTICE DESCRIBED IN SUBSECTION (B) OF THIS
2 SECTION, THE FINANCIAL INSTITUTION PROMPTLY SHALL SEIZE AND ATTACH FROM
3 ONE OR MORE OF THE ACCOUNTS OF THE OBLIGOR HELD BY THE FINANCIAL
4 INSTITUTION AN AGGREGATE AMOUNT EQUAL TO THE LESSER OF:

5 (I) THE TOTAL OF THE AMOUNTS IN ALL THE ACCOUNTS OF THE
6 OBLIGOR HELD BY THE FINANCIAL INSTITUTION; OR

7 (II) THE AMOUNT STATED IN THE NOTICE SENT UNDER
8 SUBSECTION (B) OF THIS SECTION.

9 (2) WITHIN 30 DAYS AFTER, BUT NOT EARLIER THAN 21 DAYS
10 AFTER, THE FINANCIAL INSTITUTION RECEIVES THE NOTICE DESCRIBED IN
11 SUBSECTION (B) OF THIS SECTION, THE FINANCIAL INSTITUTION SHALL PAY TO THE
12 COMPTROLLER THE LESSER OF:

13 (I) THE TOTAL OF THE AMOUNTS IN ALL OF THE ACCOUNTS OF
14 THE OBLIGOR HELD BY THE FINANCIAL INSTITUTION; OR

15 (II) THE AMOUNT STATED IN THE NOTICE SENT UNDER
16 SUBSECTION (B) OF THIS SECTION.

17 (D) A FINANCIAL INSTITUTION THAT COMPLIES WITH A NOTICE FROM THE
18 COMPTROLLER SENT UNDER THIS SECTION IS NOT LIABLE UNDER STATE LAW TO
19 ANY PERSON FOR:

20 (1) ANY DISCLOSURE OF INFORMATION TO THE COMPTROLLER UNDER
21 THIS SECTION;

22 (2) SEIZING AND ATTACHING ANY AMOUNTS FROM AN ACCOUNT OR
23 SENDING ANY AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL INSTITUTION TO
24 THE COMPTROLLER; OR

25 (3) ANY OTHER ACTION TAKEN IN GOOD FAITH TO COMPLY WITH THE
26 REQUIREMENTS OF THIS SECTION.

27 (E) (1) AFTER SERVICE OF NOTICE DESCRIBED UNDER SUBSECTION (B) OF
28 THIS SECTION, A FINANCIAL INSTITUTION SHALL BE LIABLE TO THE COMPTROLLER
29 FOR THE LESSER OF THE AMOUNT PAID OVER TO THE OBLIGOR OR THE AMOUNT
30 STATED IN THE NOTICE SENT UNDER SUBSECTION (B) OF THIS SECTION IF THE
31 FINANCIAL INSTITUTION PAYS OVER ANY AMOUNTS IN AN ACCOUNT TO AN OBLIGOR
32 WITHOUT FIRST:

33 (I) PAYING OVER TO THE COMPTROLLER THE AMOUNT SPECIFIED
34 IN SUBSECTION (C) OF THIS SECTION; OR

35 (II) OBTAINING A WRITTEN NOTICE OF SATISFACTION OR RELEASE
36 OF LIEN FROM THE COMPTROLLER.

1 (2) THE TOTAL AMOUNT THAT THE COMPTROLLER RECOVERS MAY NOT
2 EXCEED THE TOTAL AMOUNT PAID TO THE OBLIGOR IN VIOLATION OF THIS SECTION.

3 (F) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE COMPTROLLER
4 FROM COLLECTING TAXES DUE FROM THE OBLIGOR IN ANY OTHER MANNER
5 AUTHORIZED BY LAW.

6 **Article - Transportation**

7 1-103.

8 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
9 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
10 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
11 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
12 LICENSE.

13 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
14 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
15 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
16 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
17 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
18 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
19 RESPONSIBLE FOR COLLECTION.

20 (C) SUBSECTION (B) OF THIS SECTION DOES NOT APPLY TO LICENSES ISSUED
21 UNDER:

22 (1) TITLE 13 OF THIS ARTICLE (MOTOR VEHICLE REGISTRATIONS); OR

23 (2) TITLE 16 OF THIS ARTICLE (DRIVERS' LICENSES).

24 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
25 read as follows:

26 **Article - Tax - General**

27 [11-105.

28 (a) Except as provided in subsection (b) of this section, a person who timely
29 files a sales and use tax return is allowed, for the expense of collecting and paying the
30 tax, a credit equal to 0.45% of the gross amount of sales and use tax that the person
31 is to pay to the Comptroller.

32 (b) (1) Subject to paragraph (2) of this subsection, the credit allowed under
33 this section is 0.6% of the first \$6,000 of the gross amount of sales and use tax that
34 the person is to pay with each return.

35 (2) For a vendor who files or is eligible to file a consolidated return under
36 § 11-502 of this title, the credit allowed under paragraph (1) of this subsection is 0.6%

1 of the first \$6,000 of the gross amount of sales and use tax that the person is or would
2 be required to pay with the consolidated return.]

3

Article - Transportation

4 13-812.

5 [(a) For collecting and remitting the tax, a licensed dealer who, on behalf of the
6 Administration, collects the excise tax imposed by this part may keep the lesser of \$12
7 per vehicle or 0.6 percent of the gross excise tax the dealer collects.]

8 [(b) (A) Each dealer who collects any tax or fee required for titling a vehicle
9 shall:

10 (1) Keep complete and accurate records of each taxable sale, together
11 with a record of the tax collected on the sale;

12 (2) Keep copies of every invoice, bill of sale, and other pertinent
13 documents and records, in the form that the Administration requires; and

14 (3) Preserve these records in original form for at least 3 years, unless the
15 Administration consents in writing to their earlier destruction or, by order, requires
16 that they be kept for a longer period.

17 [(c) (B) Each dealer who collects any tax or fee required for titling a vehicle
18 shall, during business hours, allow any representative of the Administration and any
19 police officer full access to records required to be kept under subsection [(b)] (A) of
20 this section.

21 [(d) (C) If the Administration finds that the records of a dealer are
22 inadequate or incorrect and that the amount of excise tax collected for the
23 Administration on these sales cannot be determined accurately from the records:

24 (1) The Administration shall determine the taxable sales of the dealer for
25 the period involved and compute the tax from the best information available; and

26 (2) The determination and computation of the Administration are prima
27 facie correct.

28 [(e) (D) (1) If, under subsection [(d)] (C) of this section, the Administration
29 determines the sales of vehicles and computes the tax due, it shall:

30 (i) Levy an assessment against the dealer for the deficiency,
31 interest, and penalties in the manner authorized in §§ 13-401, 13-601, and 13-701 of
32 the Tax - General Article; and

33 (ii) Notify the dealer of the tax due and of the amount of the
34 deficiency assessment.

1 (2) Keep copies of every invoice, bill of sale, and other pertinent
2 documents and records, in the form that the Administration requires; and

3 (3) Preserve these records in original form for at least 3 years, unless the
4 Administration consents in writing to their earlier destruction or, by order, requires
5 that they be kept for a longer period.

6 [(c)] (B) Each dealer who collects any tax or fee required for titling a vehicle
7 shall, during business hours, allow any representative of the Administration and any
8 police officer full access to records required to be kept under subsection [(b)] (A) of
9 this section.

10 [(d)] (C) If the Administration finds that the records of a dealer are
11 inadequate or incorrect and that the amount of excise tax collected for the
12 Administration on these sales cannot be determined accurately from the records:

13 (1) The Administration shall determine the taxable sales of the dealer for
14 the period involved and compute the tax from the best information available; and

15 (2) The determination and computation of the Administration are prima
16 facie correct.

17 [(e)] (D) (1) If, under subsection [(d)] (C) of this section, the Administration
18 determines the sales of vehicles and computes the tax due, it shall:

19 (i) Levy an assessment against the dealer for the deficiency,
20 interest, and penalties in the manner authorized in §§ 13-401, 13-601, and 13-701 of
21 the Tax - General Article; and

22 (ii) Notify the dealer of the tax due and of the amount of the
23 deficiency assessment.

24 (2) If the dealer fails to pay the tax and assessment within 10 days after
25 receiving the notice from the Administration, the Administration may levy, in
26 addition to the tax and assessment, a penalty equal to 25 percent of the tax due.

27 [(f)] (E) If a dealer fails to keep any records of sales of vehicles, the
28 Administration may compute the tax due as provided in § 13-407 of the Tax - General
29 Article.

30 [(g)] (F) All amounts received from any dealer under this section shall be
31 credited:

32 (1) First, to any penalty and interest accrued under this section; and

33 (2) Then, to the tax due.

34 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this
35 Act or the application thereof to any person or circumstance is held invalid for any
36 reason in a court of competent jurisdiction, the invalidity does not affect other

1 provisions or any other application of this Act which can be given effect without the
2 invalid provision or application, and for this purpose the provisions of this Act are
3 declared severable.

4 SECTION 5. AND BE IT FURTHER ENACTED, That the changes to § 10-822
5 of the Tax - General Article under Section 1 of this Act shall take effect January 1,
6 2004.

7 SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
8 take effect on the taking effect of the termination provision specified in Section 31 of
9 Chapter 440 of the Acts of the General Assembly of 2002. If that termination provision
10 takes effect, Section 2 of this Act shall be abrogated and of no further force and effect.
11 This Act may not be interpreted to have any effect on that termination provision.

12 SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in
13 Sections 5 and 6 of this Act, this Act shall take effect July 1, 2003.