

# HOUSE BILL 108

Q7

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By: **Delegate Feldman**

Introduced and read first time: January 22, 2009

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tax Amnesty Program**

3 FOR the purpose of requiring the Comptroller to waive certain penalties imposed for  
4 the nonpayment, nonreporting, or underreporting of certain taxes under certain  
5 circumstances; establishing a period during which the Comptroller shall grant  
6 amnesty; requiring the Comptroller to submit a certain report on the amnesty  
7 program; providing for the distribution of the receipts from the amnesty  
8 program; and generally relating to an amnesty program for certain taxes.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
10 MARYLAND, That:

11 (a) Subject to Section 2 of this Act, the Comptroller shall declare an amnesty  
12 period for delinquent taxpayers from September 1, 2009, to October 31, 2009, both  
13 inclusive.

14 (b) The amnesty period shall be applicable to the Maryland State and local  
15 income tax, withholding taxes, sales and use taxes, and admissions and amusement  
16 taxes.

17 (c) The waiver required under this Act applies to:

18 (1) Nonreporting of tax liability;

19 (2) Underreporting of tax liability; and

20 (3) Nonpayment of tax liability.

21 SECTION 2. AND BE IT FURTHER ENACTED, That:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) The Comptroller shall waive all civil penalties (except previously  
2 assessed fraud penalties) attributable to taxes paid during the amnesty period,  
3 imposed against a taxpayer who:

4 (1) On or before December 31, 2008, failed to file a return required or  
5 pay the tax imposed under the Tax – General Article for:

6 (i) Individual income tax;

7 (ii) Corporate income tax;

8 (iii) Withholding tax;

9 (iv) Sales and use tax; or

10 (v) Admissions and amusement tax; and

11 (2) During the amnesty period:

12 (i) Files a delinquent return and pays the tax due under the  
13 return, including all interest; or

14 (ii) Pays the tax, plus all interest, due on a previously filed  
15 return.

16 (b) (1) Except as otherwise provided in this Act, a taxpayer may not be  
17 charged with a criminal tax offense arising out of any return filed and tax paid during  
18 the amnesty period if the taxpayer, in accordance with the provisions of this Act,  
19 during the amnesty period either:

20 (i) Files a delinquent return and pays the tax due under the  
21 return, including all interest; or

22 (ii) Pays the tax, plus all interest, due on a previously filed  
23 return.

24 (2) The amnesty from criminal charges under paragraph (1) of this  
25 subsection does not apply to:

26 (i) Any criminal charges pending in the courts of the State; or

27 (ii) Any criminal charges under investigation by an office with  
28 the constitutional authority to prosecute a person for violation of criminal laws.

29 (3) For purposes of this subsection, an office with constitutional  
30 authority to prosecute persons for violation of the criminal laws:

1 (i) Includes the Office of the Attorney General of Maryland, the  
2 Office of the State Prosecutor, and the Office of the State's Attorney for any of the  
3 political subdivisions of the State; and

4 (ii) Does not include the Office of the Comptroller.

5 (c) This Act does not authorize the Comptroller to waive any interest charges  
6 or previously assessed fraud penalties.

7 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before March 15,  
8 2010, the Comptroller shall report to the Governor and, subject to § 2-1246 of the  
9 State Government Article, the General Assembly, on:

10 (1) The revenues raised under the amnesty program; and

11 (2) Other matters relating to the amnesty program.

12 SECTION 4. AND BE IT FURTHER ENACTED, That:

13 (a) Except as provided in subsection (b) of this section, the Comptroller shall  
14 distribute the revenue collected under this Act from the amnesty program in  
15 accordance with the applicable provisions of Title 2 of the Tax – General Article.

16 (b) (1) The first \$3,000,000 of the funds collected under this Act from the  
17 amnesty program that would be credited to the General Fund under the provisions of  
18 Title 2 of the Tax – General Article shall be distributed instead to a special fund to be  
19 administered by the Comptroller.

20 (2) Subject to the budget amendment procedure provided for in §  
21 7-209 of the State Finance and Procurement Article, the special fund established  
22 under this section may be used only for the purposes of:

23 (i) Providing publicity for the amnesty program; and

24 (ii) Hiring additional tax compliance and enforcement  
25 personnel.

26 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 June 1, 2009.