

# SENATE BILL 94

Q4

9lr0127

(PRE-FILED)

---

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Comptroller)**

Requested: September 30, 2008

Introduced and read first time: January 14, 2009

Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Gross Negligence Penalty for Underpayment**

3 FOR the purpose of providing for the assessment of a certain penalty for  
4 underpayment of the sales and use tax due to gross negligence under certain  
5 circumstances; providing that underpayment of a certain percentage or more of  
6 the sales and use tax is prima facie evidence of gross negligence; and generally  
7 relating to a penalty for underpayment of the sales and use tax due to gross  
8 negligence under certain circumstances.

9 BY adding to  
10 Article – Tax – General  
11 Section 13–703.1  
12 Annotated Code of Maryland  
13 (2004 Replacement Volume and 2008 Supplement)

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

16 **Article – Tax – General**

17 **13–703.1.**

18 (A) **IF, DUE TO GROSS NEGLIGENCE, A PERSON, INCLUDING AN OFFICER**  
19 **OF A CORPORATION, OR GOVERNMENTAL UNIT MAKES AN UNDERPAYMENT OF**  
20 **25% OR MORE OF THE REQUIRED SALES AND USE TAX DUE UNDER THIS**  
21 **ARTICLE, THE COMPTROLLER SHALL ASSESS A PENALTY OF 25% OF THE**  
22 **UNDERPAYMENT OF THE TAX.**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) AN UNDERPAYMENT OF 25% OR MORE OF THE SALES AND USE TAX**  
2 **DUE IS PRIMA FACIE EVIDENCE OF GROSS NEGLIGENCE.**

3           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 July 1, 2009.