

SENATE BILL 552

Q7, Q3, Q4

(9lr1059)

ENROLLED BILL

—Budget and Taxation / Ways and Means—

Introduced by **Senators DeGrange, Astle, Brinkley, Colburn, Conway, Currie, Dyson, Exum, Forehand, Garagiola, Gladden, Glassman, Greenip, Haines, Harrington, Harris, Jacobs, Jones, Kasemeyer, Kelley, King, Kittleman, Klausmeier, Lenett, Madaleno, McFadden, Middleton, Miller, Munson, Muse, Peters, Pugh, Raskin, Robey, Simonaire, Stoltzfus, Stone, and Zirkin**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Tax Amnesty Program**

3 FOR the purpose of requiring the Comptroller to waive certain penalties and interest
4 imposed for the nonpayment, nonreporting, or underreporting of certain taxes
5 under certain circumstances; establishing a period during which the
6 Comptroller shall grant amnesty; authorizing the Comptroller to enter into
7 certain agreements to provide a certain waiver under certain circumstances
8 with respect to certain taxes that a taxpayer agrees to pay in accordance with
9 certain terms and a certain schedule; requiring the Comptroller to submit a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 certain report on the tax amnesty program; and generally relating to a tax
2 amnesty program for certain taxes.

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
4 MARYLAND, That:

5 (a) Subject to Section 2 of this Act, the Comptroller shall declare an amnesty
6 period for delinquent taxpayers from September 1, 2009, to October ~~31~~ 30, 2009, both
7 inclusive.

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

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

- 12 (1) Nonreporting of tax liability;
- 13 (2) Underreporting of tax liability; and
- 14 (3) Nonpayment of tax liability.

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

16 (a) (1) Except as otherwise provided in this section, the Comptroller shall
17 waive all civil penalties (except previously assessed fraud penalties) and ~~one-half of~~
18 ~~the all~~ one-half of the interest imposed against a taxpayer who:

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

- 21 1. Individual income tax;
- 22 2. Corporate income tax;
- 23 3. Withholding tax;
- 24 4. Sales and use tax; or
- 25 5. Admissions and amusement tax; and

26 (ii) During the amnesty period:

- 27 1. Files a delinquent return and pays the tax, including
28 one-half of any interest, ~~including one-half of any interest,~~ due under the return;

1 2. Any taxpayer that was granted amnesty under the
2 2001 Maryland Tax Amnesty Program established under Chapter 275 of the Acts of
3 the General Assembly of 2001, with respect to the taxes for which the taxpayer
4 received amnesty under the 2001 Maryland Tax Amnesty ~~Program~~ Program; or

5 3. Any taxpayer eligible for the July 1, 2004, through
6 November 1, 2004, Settlement Period, as provided in Chapter 557 of the Acts of 2004,
7 which was applicable to the Maryland corporation income tax assessed by the
8 Comptroller based on issues that were ruled on by the Maryland Court of Appeals in
9 the decisions in the Comptroller of the Treasury v. SYL, Inc., and the Comptroller of
10 the Treasury v. Crown Cork & Seal Company (Delaware), Inc., 375 Md. 78 (2003),
11 whether or not the taxpayer participated in the Settlement Period.

12 (b) (1) Except as otherwise provided in this Act, a taxpayer may not be
13 charged with a criminal tax offense arising out of any return filed and tax paid during
14 the amnesty period or in accordance with an agreement entered into under subsection
15 (a)(2) of this section if the taxpayer, in accordance with the provisions of this Act:

16 (i) During the amnesty period:

17 1. Files a delinquent return and pays the tax, plus
18 one-half of any interest, ~~plus one-half of any interest,~~ due under the return; or

19 2. Pays the tax, plus one-half of any interest, ~~plus one-~~
20 ~~half of any interest,~~ due on a previously filed return; or

21 (ii) With respect to delinquent tax due under a return filed
22 during the amnesty period or under a previously filed return:

23 1. Enters into an agreement with the Comptroller under
24 subsection (a)(2) of this section; and

25 2. Pays the full amount of taxes plus one-half of any
26 interest ~~plus one-half of any interest~~ strictly in accordance with the terms and
27 schedule established in the agreement.

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

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

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

33 (3) For purposes of this subsection, an office with constitutional
34 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) Except as expressly provided in this section, this Act does not authorize
6 the Comptroller to waive any interest charges or ~~interest charges or~~ previously
7 assessed fraud penalties.

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

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

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

13 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 June 1, 2009.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.