

# SENATE BILL 423

Q7

4r1295  
CF HB 686

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By: **Senators Kasemeyer, Miller, ~~and Reilly~~ Reilly, and DeGrange**

Introduced and read first time: January 24, 2014

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 2014

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Tax Overpayment – Interest on Refunds**

3 FOR the purpose of altering the day on which interest begins to accrue on certain  
4 taxpayer refunds of certain tax payments; requiring a tax collector to pay  
5 interest on certain taxpayer refunds beginning on a certain date if the  
6 overpayment is attributable to an error or mistake of a certain entity; repealing  
7 a prohibition on a tax collector paying interest on certain refunds; requiring the  
8 Comptroller to report to the General Assembly on or before a certain date;  
9 providing for a delayed effective date for certain provisions of this Act; and  
10 generally relating to interest on certain tax refunds.

11 BY repealing

12 Article – Tax – General

13 Section 13–603

14 Annotated Code of Maryland

15 (2010 Replacement Volume and 2013 Supplement)

16 BY adding to

17 Article – Tax – General

18 Section 13–603

19 Annotated Code of Maryland

20 (2010 Replacement Volume and 2013 Supplement)

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

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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.



## Article – Tax – General

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2 [13–603.

3 (a) Except as otherwise provided in this section, if a claim for refund under §  
4 13–901(a)(1) or (2) or (d)(1)(i) or (2) of this title is approved, the tax collector shall pay  
5 interest on the refund from the 45th day after the claim is filed in the manner  
6 required in Subtitle 9 of this title to the date on which the refund is paid.

7 (b) A tax collector may not pay interest on a refund if the claim for refund is:

8 (1) made under any provision other than § 13–901(a)(1) or (2) or  
9 (d)(1)(i) or (2) of this title;

10 (2) based on:

11 (i) an error or mistake of the claimant not attributable to the  
12 State or a unit of the State government;

13 (ii) withholding excess income tax;

14 (iii) an overpayment of estimated financial institution franchise  
15 tax or estimated income tax; or

16 (iv) an overpayment of Maryland estate tax based on an  
17 inheritance tax payment made after payment of Maryland estate tax; or

18 (3) made for Maryland estate tax or Maryland generation–skipping  
19 transfer tax more than 1 year after the event on which the claim is based.]

20 **13–603.**

21 **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IF A**  
22 **CLAIM FOR REFUND IS APPROVED, THE TAX COLLECTOR SHALL PAY INTEREST**  
23 **ON THE REFUND FROM THE 45TH DAY AFTER THE CLAIM IS FILED IN THE**  
24 **MANNER REQUIRED UNDER SUBTITLE 9 OF THIS TITLE TO THE DATE ON WHICH**  
25 **THE REFUND IS PAID.**

26 **(B) IF A CLAIM FOR REFUND IS APPROVED AND THE OVERPAYMENT IS**  
27 **ATTRIBUTABLE TO AN ERROR OR A MISTAKE OF THE STATE OR A**  
28 **GOVERNMENTAL UNIT OF THE STATE GOVERNMENT, THE TAX COLLECTOR**  
29 **SHALL PAY INTEREST ON THE REFUND FROM THE DATE OF THE OVERPAYMENT**  
30 **TO THE DATE ON WHICH THE REFUND IS PAID.**

1        SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1,  
2 2015, the Comptroller shall report to the General Assembly, in accordance with §  
3 2-1246 of the State Government Article, on the fiscal impact of this Act, including the  
4 amount of additional interest payments the State would have made if Section 1 of this  
5 Act took effect July 1, 2014.

6        SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
7 take effect July 1, 2015.

8        SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
9 effect July 1, 2014.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.