

SENATE BILL 178

Q7

5lr1657
CF 5lr1686

By: **Senator Kasemeyer**

Introduced and read first time: January 30, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Estate Tax – Alternative Payment Schedule – Penalty Prohibition**

3 FOR the purpose of prohibiting a certain penalty for late payment of the Maryland estate
4 tax if a certain alternative payment schedule is allowed by the Comptroller and the
5 tax is paid in accordance with the alternative payment schedule; providing for the
6 application of this Act; and generally relating to alternative payment schedules for
7 the payment of the Maryland estate tax.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – General
10 Section 7–307
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2014 Supplement)

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

15 **Article – Tax – General**

16 7–307.

17 (a) On application of the person responsible for paying the Maryland estate tax
18 and subject to § 13–601 of this article, the Comptroller may allow an alternative payment
19 schedule for the Maryland estate tax, notwithstanding any payment extension under § 6166
20 of the Internal Revenue Code.

21 (b) The payment schedule may be in the form of:

22 (1) a payment deferral; or

23 (2) an installment payment plan.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) (1) For each alternative payment schedule allowed under subsection (a) of
2 this section, the Comptroller shall specify the procedures and guidelines, including:

3 (i) conditions of eligibility; and

4 (ii) 1. amount and duration of any payment deferral; or

5 2. amount of and scheduled time for any installment
6 payments.

7 (2) If the Comptroller denies an application for an alternative payment
8 schedule, the Comptroller shall mail a notice of the denial to the applicant.

9 (d) (1) If an alternative payment schedule is allowed under subsection (a) of
10 this section, the person responsible for filing the Maryland estate tax return under § 7-305
11 of this subtitle shall pay the tax in accordance with the schedule.

12 (2) **IF THE MARYLAND ESTATE TAX IS PAID IN ACCORDANCE WITH AN**
13 **ALTERNATIVE PAYMENT SCHEDULE ALLOWED UNDER SUBSECTION (A) OF THIS**
14 **SECTION, A PENALTY FOR THE LATE PAYMENT OF THE TAX MAY NOT BE ASSESSED**
15 **UNDER § 13-701 OF THIS ARTICLE.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be applicable to
17 an estate that:

18 (1) applies for an alternative payment schedule for the payment of the
19 Maryland estate tax on or after July 1, 2015; and

20 (2) receives approval by the Comptroller to pay the Maryland estate tax in
21 accordance with an alternative payment schedule.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2015.