

HOUSE BILL 422

Q7

6lr0645

By: **Delegates Fraser–Hidalgo, Brooks, Barve, Beidle, Kelly, Kramer, Luedtke, Reznik, S. Robinson, Turner, and Walker**

Introduced and read first time: January 29, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Interest Rate on Tax Deficiencies and Refunds**

3 FOR the purpose of repealing the calculation of the interest rate on tax deficiencies and
4 refunds; providing that the interest rate on tax deficiencies and refunds is a certain
5 rate; repealing a requirement that the Comptroller annually set the interest rate on
6 tax deficiencies and refunds; providing for a delayed effective date; and generally
7 relating to the annual interest rate on tax deficiencies and refunds.

8 BY repealing and reenacting, with amendments,

9 Article – Tax – General

10 Section 13–604

11 Annotated Code of Maryland

12 (2010 Replacement Volume and 2015 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 13–604.

17 [(a)] The rate of interest for each month or fraction of a month [is the percent equal
18 to one–twelfth of the annual interest rate that the Comptroller sets for the calendar year
19 under subsection (b) of this section] **FOR INTEREST ON REFUNDS AND MONEY OWED TO
20 THE STATE IS ONE–TWELFTH OF 12%.**

21 [(b)] On or before October 1 of each year, the Comptroller shall set the annual
22 interest rate for the next calendar year on refunds and moneys owed to the State as the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 percent, rounded to the nearest whole number, that is at the percent that equals the greater
2 of:

3 (1) 13%; or

4 (2) 3 percentage points above the average prime rate of interest quoted by
5 commercial banks to large businesses during the State's previous fiscal year, based on
6 determination by the Board of Governors of the Federal Reserve Bank.]

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 January 1, 2017.