

# SENATE BILL 185

Q3

6lr0598

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By: **Senators Kelley, Kasemeyer, Madaleno, McFadden, Rosapepe, and Waugh**  
Introduced and read first time: January 20, 2016  
Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Filing of Withholding Statements and Payment of Refund Claims**

3 FOR the purpose of altering the date by which certain payors of amounts subject to income  
4 tax withholding are required to provide the Comptroller a copy of a certain  
5 statement; prohibiting the Comptroller from paying a certain claim for refund of  
6 income tax before a certain date except under certain circumstances; and generally  
7 relating to the filing of certain statements of withholding and the payment of certain  
8 income tax refund claims.

9 BY repealing and reenacting, with amendments,  
10 Article – Tax – General  
11 Section 10–911(b) and 13–905  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume and 2015 Supplement)

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

16 **Article – Tax – General**

17 10–911.

18 (b) **[An] ON OR BEFORE JANUARY 31 OF EACH YEAR AN** employer or payor of  
19 a payment subject to withholding shall:

20 (1) provide 2 copies of the statement required under subsection (a) of this  
21 section to the employee or person who receives a payment subject to withholding **[on or**  
22 **before January 31 of each year]**; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) submit 1 copy of the statement to the Comptroller [on or before  
2 February 28 of each year].

3 13-905.

4 (a) Subject to the additional provisions under this section, a tax collector shall  
5 pay any claim for refund that has been allowed by the tax collector unless:

6 (1) the claimant has not paid all other taxes, fees, or charges payable to the  
7 State; or

8 (2) the amount of the refund due is less than \$1.

9 (b) **FOR A CLAIM FOR REFUND OF INCOME TAX, THE COMPTROLLER MAY**  
10 **NOT PAY THE CLAIM BEFORE MARCH 1 OF EACH YEAR UNLESS THE COMPTROLLER**  
11 **DETERMINES THAT:**

12 (1) **THE EMPLOYER OF THE INDIVIDUAL CLAIMING THE REFUND HAS**  
13 **FILED A COPY OF THE STATEMENT FOR THE PREVIOUS CALENDAR YEAR IN**  
14 **ACCORDANCE WITH § 10-911 OF THIS ARTICLE; AND**

15 (2) **THE INDIVIDUAL HAS FILED A RETURN IN ACCORDANCE WITH**  
16 **TITLE 10, SUBTITLE 8 OF THIS ARTICLE.**

17 (c) If a claim for refund of income tax is based on a return that is filed jointly by  
18 the personal representative and surviving spouse of a decedent, the Comptroller shall pay  
19 the claim to the estate of the decedent.

20 [(c)] (D) The payment of income tax refunds is subject to tax refund interception  
21 under § 10-113 of the Family Law Article and §§ 13-912 through 13-919 of this subtitle.

22 [(d)] (E) The Comptroller may not pay a refund of excess motor carrier tax credit  
23 unless the motor carrier has complied with Title 9, Subtitle 2 of this article and regulations  
24 adopted under it for a full registration year and the Comptroller, in the Comptroller's  
25 discretion, allows the refund.

26 [(e)] (F) For a claim of refund for sales and use tax, the Comptroller shall either:

27 (1) pay the refund; or

28 (2) allow a credit of the amount of the refund on subsequent sales and use  
29 tax payments due from the claimant.

30 [(f)] (G) If requested by a claimant on a form provided by the Comptroller, the  
31 Comptroller shall directly deposit portions of an income tax refund into at least two  
32 accounts at one or more financial institutions.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2   1, 2016.