

SENATE BILL 844

Q7

6lr1552
CF 6lr3414

By: **The President (By Request – Maryland Economic Development and Business
Climate Commission)**

Introduced and read first time: February 5, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering the calculation of the annual interest rate that the Comptroller
4 sets for tax deficiencies and refunds; and generally relating to the annual interest
5 rate on tax deficiencies and refunds.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 13–604
9 Annotated Code of Maryland
10 (2010 Replacement Volume and 2015 Supplement)

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

13 **Article – Tax – General**

14 13–604.

15 (a) The rate of interest for each month or fraction of a month is the percent equal
16 to one–twelfth of the annual interest rate that the Comptroller sets for the calendar year
17 under subsection (b) of this section.

18 (b) On or before October 1 of each year, the Comptroller shall set the annual
19 interest rate for the next calendar year on refunds and moneys owed to the State as the
20 percent, rounded to the nearest whole number, that is at the percent that equals [the
21 greater of]:

22 (1) [13%; or] **11% FOR 2017;**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) [3 percentage points above] **8% FOR 2018; AND**

2 **(3) FOR EACH YEAR AFTER 2018,** the average prime rate of interest
3 quoted by commercial banks to large businesses during the State's previous fiscal year,
4 based on determination by the Board of Governors of the Federal Reserve Bank.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2016.