

HOUSE BILL 112

Q7

(7lr1018)

ENROLLED BILL

— *Ways and Means/Budget and Taxation* —

Introduced by **Delegates Fraser–Hidalgo, Brooks, and A. Miller**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of repealing a requirement that the Comptroller, when setting the annual
4 interest rate for tax deficiencies and refunds, round the interest rate to the nearest
5 whole number; and generally relating to the annual interest rate on tax deficiencies
6 and refunds.

7 BY repealing and reenacting, with amendments,

8 Article – Tax – General

9 Section 13–604

10 Annotated Code of Maryland

11 ~~(2010 Replacement Volume and 2016 Supplement)~~ *(2016 Replacement Volume)*

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

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.

Italics indicate opposite chamber/conference committee amendments.



1 **Article – Tax – General**

2 13–604.

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

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

- 10 (1) (i) 13% for 2016;
11 (ii) 12% for 2017;
12 (iii) 11.5% for 2018;
13 (iv) 11% for 2019;
14 (v) 10.5% for 2020;
15 (vi) 10% for 2021;
16 (vii) 9.5% for 2022; and
17 (viii) 9% for 2023 and each year thereafter; or

18 (2) 3 percentage points above the average prime rate of interest quoted by
19 commercial banks to large businesses during the State’s previous fiscal year, based on
20 determination by the Board of Governors of the Federal Reserve Bank.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2017.