

HOUSE BILL 112

Q7

7lr1018

By: **Delegates Fraser–Hidalgo, Brooks, and A. Miller**

Introduced and read first time: January 16, 2017

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 12, 2017

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)

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

14 **Article – Tax – General**

15 13–604.

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

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.



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

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

13 (2) 3 percentage points above the average prime rate of interest quoted by
14 commercial banks to large businesses during the State's previous fiscal year, based on
15 determination by the Board of Governors of the Federal Reserve Bank.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.