

HB0455/483123/1

BY: Ways and Means Committee

AMENDMENTS TO HOUSE BILL 455
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “taxes;” insert “prohibiting a certain tax return preparer or software company from charging a separate fee for the electronic filing of certain tax documents; prohibiting a software company from selling different versions of the same tax software under certain circumstances;”; after line 11, insert:

“BY adding to

Article - Tax - General

Section 1–208, 2–118, 5–201(f), 7.5–201(d), 9–308(e), 10–809.1, 10–812.1, 10–819.1, 11–502.2, and 12–202.1

Annotated Code of Maryland

(2022 Replacement Volume and 2023 Supplement)”;

and strike in their entirety lines 22 through 27, inclusive.

AMENDMENT NO. 2

On page 2, in lines 11 and 21, in each instance, strike “**BEGINNING IN CALENDAR YEAR 2026**” and substitute “**FOR PERIODS BEGINNING AFTER DECEMBER 31, 2026**”; after line 22, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:”;

and after line 23, insert:

“**1–208.**”

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "AUTHORIZED TAX DOCUMENT" MEANS A TAX DOCUMENT THAT THE COMPTROLLER HAS AUTHORIZED OR REQUIRES TO BE FILED ELECTRONICALLY.

(3) "SOFTWARE COMPANY" MEANS A DEVELOPER OF TAX SOFTWARE.

(4) "TAX" MEANS A TAX OR ANY OTHER MATTER ADMINISTERED BY THE COMPTROLLER IN ACCORDANCE WITH THIS ARTICLE OR ANY OTHER PROVISION OF LAW.

(5) "TAX DOCUMENT" MEANS A RETURN, A REPORT, OR ANY OTHER DOCUMENT RELATING TO A TAX.

(6) (I) "TAX RETURN PREPARER" MEANS A PERSON WHO PREPARES FOR COMPENSATION, OR WHO EMPLOYS OR ENGAGES ONE OR MORE PERSONS TO PREPARE FOR COMPENSATION, AN AUTHORIZED TAX DOCUMENT.

(II) "TAX RETURN PREPARER" INCLUDES A PAYROLL SERVICE.

(7) (I) "TAX SOFTWARE" MEANS A COMPUTER SOFTWARE PROGRAM INTENDED FOR TAX RETURN PREPARATION PURPOSES.

(II) "TAX SOFTWARE" INCLUDES AN OFF-THE-SHELF SOFTWARE PROGRAM LOADED ONTO A TAX RETURN PREPARER'S OR TAXPAYER'S COMPUTER OR AN ONLINE TAX PREPARATION APPLICATION.

(B) (1) A TAX RETURN PREPARER OR A SOFTWARE COMPANY MAY NOT CHARGE A SEPARATE FEE FOR THE ELECTRONIC FILING OF AUTHORIZED TAX DOCUMENTS.

(2) A SOFTWARE COMPANY MAY NOT SELL A VERSION OF THE COMPANY'S TAX SOFTWARE THAT CHARGES A SEPARATE FEE FOR THE ELECTRONIC FILING OF AUTHORIZED TAX DOCUMENTS AND A VERSION OF THE SAME TAX SOFTWARE THAT DOES NOT CHARGE THE SEPARATE FEE.

(C) (1) THE COMPTROLLER SHALL IMPOSE AGAINST A TAX RETURN PREPARER OR SOFTWARE COMPANY THAT VIOLATES THIS SECTION A CIVIL PENALTY OF:

(I) \$500 FOR A FIRST VIOLATION; OR

(II) \$1,000 FOR A SECOND OR SUBSEQUENT VIOLATION.

(2) FOR THE PURPOSES OF THIS SUBSECTION, EACH TRANSACTION IN WHICH A CUSTOMER IS CHARGED A PROHIBITED FEE OR EACH SALE TO A CUSTOMER OF TAX SOFTWARE THAT CHARGES A PROHIBITED FEE IS AN INDEPENDENT VIOLATION.

(3) BEFORE A CIVIL PENALTY IS IMPOSED UNDER THIS SUBSECTION, THE COMPTROLLER SHALL PROVIDE TO THE PERSON AGAINST

(Over)

WHOM THE CIVIL PENALTY WILL BE IMPOSED NOTICE OF THE ALLEGED VIOLATION AND AN OPPORTUNITY FOR A HEARING.

(4) A PERSON AGAINST WHOM A CIVIL PENALTY IS IMPOSED UNDER THIS SUBSECTION MAY SEEK REVIEW OF THE PENALTY UNDER TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

(5) EACH CIVIL PENALTY SHALL BE PAID INTO THE GENERAL FUND OF THE STATE.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

2-118.

NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PERSON IS NOT REQUIRED TO FILE A RETURN, SCHEDULE, OR REPORT WITH THE COMPTROLLER ELECTRONICALLY IF:

(1) THE PERSON HAS A DISABILITY, AS DEFINED IN THE AMERICANS WITH DISABILITIES ACT;

(2) THE PERSON HAS RELIGIOUS BELIEFS THAT PROHIBIT THE PERSON’S USE OF ELECTRONIC FILING TECHNOLOGY; OR

(3) THE PERSON IS DETERMINED BY THE COMPTROLLER TO HAVE A SPECIAL NEED TO FILE A PAPER RETURN, SCHEDULE, OR REPORT.”.

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On page 3, in lines 3, 9, 12, 25, in each instance, strike “**BEGINNING IN CALENDAR YEAR 2026**” and substitute “**FOR PERIODS BEGINNING AFTER DECEMBER 31, 2026**”; and strike in their entirety lines 14 through 16, inclusive.

On page 4, in line 8, after “**SINGLE**” insert “**OR A DEPENDENT TAXPAYER**”; in line 12, after “**\$400,000;**” insert “**OR**”; strike beginning with the semicolon in line 15 down through “**ACT**” in line 17; and in lines 20 and 27, in each instance, strike “**2025**” and substitute “**2026**”.

On page 5, in line 3 strike “**2025**” and substitute “**2026**”.

On page 6, in lines 8 and 11, in each instance, strike “**BEGINNING IN CALENDAR YEAR 2026**” and substitute “**FOR PERIODS BEGINNING AFTER DECEMBER 31, 2026**”; after line 12, insert:

“**SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2030.**”;

in line 13, strike “**2.**” and substitute “**5.**”; and in the same line, after “**That**” insert “**, except as provided in Section 4 of this Act.**”.