

# HOUSE BILL 454

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CF 4lr2991

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By: **The Speaker (By Request – Office of the Comptroller)**

Introduced and read first time: January 22, 2024

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Disclosure of Tax Information – Tax Compliance Activity and Binding Data Use**  
3 **Agreements**

4 FOR the purpose of authorizing, subject to certain limitations, the disclosure of certain tax  
5 information to certain persons and governmental entities for the purpose of assisting  
6 the Comptroller in certain tax compliance activity; requiring the Comptroller, when  
7 disclosing tax information in accordance with certain provisions of law, to require  
8 the party to whom the information is to be disclosed to enter into a certain data use  
9 agreement; prohibiting an officer, employee, former officer, or former employee of a  
10 certain person from disclosing the tax information except under certain  
11 circumstances; and generally relating to the disclosure of tax information by the  
12 Maryland Comptroller.

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – General  
15 Section 13–203(c) and 13–1018  
16 Annotated Code of Maryland  
17 (2022 Replacement Volume and 2023 Supplement)

18 BY adding to  
19 Article – Tax – General  
20 Section 13–203(f) and 13–208  
21 Annotated Code of Maryland  
22 (2022 Replacement Volume and 2023 Supplement)

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

25 **Article – Tax – General**

26 13–203.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) [Tax] SUBJECT TO SUBSECTION (F) OF THIS SECTION, TAX information  
2 may be disclosed to:

3 (1) an employee or officer of the State who, by reason of that employment  
4 or office, has the right to the tax information;

5 (2) another tax collector;

6 (3) the Maryland Tax Court;

7 (4) a legal representative of the State, to review the tax information about  
8 a taxpayer:

9 (i) who applies for review under this title;

10 (ii) who appeals from a determination under this title; or

11 (iii) against whom an action to recover tax or a penalty is pending or  
12 will be initiated under this title;

13 (5) any license issuing authority of the State required by State law to verify  
14 through the Comptroller that an applicant has paid all undisputed taxes and  
15 unemployment insurance contributions payable to the Comptroller or the Secretary of  
16 Labor or that the applicant has provided for payment in a manner satisfactory to the unit  
17 responsible for collection;

18 (6) a local official as defined in § 13–925 of this title to the extent necessary  
19 to administer Subtitle 9, Part V of this title;

20 (7) a federal official as defined in § 13–930 of this title to the extent  
21 necessary to administer Subtitle 9, Part VI of this title;

22 (8) the Maryland Department of Health in accordance with the federal  
23 Children’s Health Insurance Program Reauthorization Act of 2009;

24 (9) the State Board of Individual Tax Preparers;

25 (10) the Alcohol and Tobacco Commission;

26 (11) the Maryland 9–1–1 Board;

27 (12) a person or governmental entity authorized by the Comptroller in  
28 writing to receive tax information for the purpose of identifying, preventing, or responding  
29 to fraud, provided that the tax information is:

1 (i) anonymized to the extent possible consistent with the  
2 information's intended use; and

3 (ii) in addition to any other protections and safeguards under law,  
4 subject to any protections and safeguards set forth by the Comptroller in the written  
5 authorization;

6 (13) the Maryland Higher Education Commission;

7 (14) a hospital, the Health Services Cost Review Commission, the  
8 Department of Human Services, the Maryland Department of Health, and the State  
9 Department of Education, to the extent necessary to administer § 19–214.4 of the Health –  
10 General Article; [and]

11 (15) subject to subsection (e) of this section, the Maryland Small Business  
12 Retirement Savings Board and its authorized contractors for the purpose of administering  
13 the Maryland Small Business Retirement Savings Program and Trust as authorized under  
14 Title 12 of the Labor and Employment Article; AND

15 **(16) A PERSON OR GOVERNMENTAL ENTITY FOR THE PURPOSE OF**  
16 **ASSISTING THE COMPTROLLER IN TAX COMPLIANCE ACTIVITY.**

17 **(F) WHEN DISCLOSING CONFIDENTIAL TAX INFORMATION UNDER**  
18 **SUBSECTION (C) OF THIS SECTION, THE COMPTROLLER SHALL REQUIRE THE PARTY**  
19 **TO WHOM THE INFORMATION IS TO BE DISCLOSED TO ENTER INTO A BINDING,**  
20 **WRITTEN DATA USE AGREEMENT, THE TERMS OF WHICH SHALL BE PRESCRIBED BY**  
21 **THE COMPTROLLER ACCORDING TO THE COMPTROLLER'S DATA SECURITY**  
22 **POLICIES AND BE CONSISTENT WITH STATE AND FEDERAL REQUIREMENTS.**

23 **13–208.**

24 **AN OFFICER, EMPLOYEE, FORMER OFFICER, OR FORMER EMPLOYEE OF A**  
25 **PERSON TO WHICH TAX INFORMATION HAS BEEN DISCLOSED UNDER §**  
26 **13–203(C)(16) OF THIS SUBTITLE MAY NOT DISCLOSE, IN ANY MANNER, ANY TAX**  
27 **INFORMATION OBTAINED IN ACCORDANCE WITH THE DATA USE AGREEMENT,**  
28 **UNLESS THE DISCLOSURE IS:**

29 **(1) AUTHORIZED EXPRESSLY BY A LAW OF THIS STATE OR THE**  
30 **FEDERAL GOVERNMENT;**

31 **(2) AUTHORIZED BY THE DATA USE AGREEMENT; OR**

32 **(3) REQUIRED BY A COURT ORDER.**

33 13–1018.

1 An officer, employee, former officer, or former employee of the State [or of], a political  
2 subdivision of the State, **OR A PERSON TO WHICH TAX INFORMATION HAS BEEN**  
3 **DISCLOSED IN ACCORDANCE WITH § 13–203 OF THIS TITLE** who makes a disclosure in  
4 violation of Subtitle 2 of this title is guilty of a misdemeanor and, on conviction, is subject  
5 to a fine not exceeding \$1,000 or imprisonment not exceeding 6 months or both.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
7 1, 2024.