

# SENATE BILL 766

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CF HB 1197

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By: **Senator Zucker**

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Taxes – Whistleblower Reward Program – Expansion**

3 FOR the purpose of altering and expanding the type of tax enforcement actions for which a  
4 certain whistleblower may, under certain circumstances, receive a monetary award  
5 for providing certain original information to the Comptroller under the  
6 Whistleblower Reward Program; authorizing the Attorney General and State  
7 agencies to bring a tax enforcement action under the Program; requiring the  
8 Comptroller to provide to the Attorney General or a State agency certain original  
9 information under certain circumstances; requiring the Attorney General and State  
10 agencies to provide to the Comptroller information pertaining to a final assessment  
11 that results from a whistleblower's original information under certain  
12 circumstances; and generally relating to the collection and enforcement of taxes in  
13 the State.

14 BY repealing and reenacting, with amendments,  
15 Article – Tax – General  
16 Section 1–401 through 1–403, 1–405(a), and 1–406  
17 Annotated Code of Maryland  
18 (2022 Replacement Volume and 2025 Supplement)

19 BY adding to  
20 Article – Tax – General  
21 Section 1–401.1  
22 Annotated Code of Maryland  
23 (2022 Replacement Volume and 2025 Supplement)

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

26 **Article – Tax – General**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 1–401.

2 (a) In this subtitle the following words have the meanings indicated.

3 (b) “Covered enforcement action” means an enforcement action, **INCLUDING A**  
4 **JUDICIAL OR ADMINISTRATIVE ACTION**, brought by the Comptroller, **THE ATTORNEY**  
5 **GENERAL, OR A STATE AGENCY** under this **OR ANY OTHER** article that concerns:

6 (1) (i) the [State and county income] tax liability of an individual  
7 taxpayer or a couple that is married and files jointly whose federal adjusted gross income  
8 is at least \$250,000; or

9 (ii) the [State and county] tax liability of a business, including those  
10 persons who are jointly and severally liable for the [State] tax liability of a business under  
11 this **OR ANY OTHER** article, the annual gross receipts or sales of which are at least  
12 \$2,000,000; and

13 (2) taxes in dispute exceeding \$250,000.

14 (c) “Original information” means information that:

15 (1) is derived from the independent knowledge or analysis of a  
16 whistleblower;

17 (2) is not known, **AS APPLICABLE**, to the Comptroller, **THE ATTORNEY**  
18 **GENERAL, OR A STATE AGENCY** from any other source, unless the whistleblower is the  
19 original source of the information;

20 (3) is not exclusively derived from an allegation made in a judicial or  
21 administrative hearing, in a governmental report, hearing, audit, or investigation or from  
22 the news media, unless the whistleblower is a source of the information; and

23 (4) is provided to the Comptroller in a sworn affidavit for the first time on  
24 or after October 1, 2021.

25 [(d) “Related action” means any judicial or administrative action brought by a  
26 State or local agency or entity based on the original information provided by a  
27 whistleblower to the Comptroller under this subtitle.]

28 [(e)] **(D)** (1) “Whistleblower” means an individual or entity who provides, or  
29 two or more individuals or entities acting jointly who provide, in accordance with this  
30 subtitle, information to the Comptroller in a sworn affidavit relating to a violation of [State  
31 tax] law **THAT IMPOSES A TAX UNDER THIS OR ANY OTHER ARTICLE**, including a rule  
32 or regulation, that has occurred, is ongoing, or is about to occur.

(2) “Whistleblower” includes an individual who provides information to a law enforcement agency before providing the information to the Comptroller.

**1-401.1.**

**THIS SUBTITLE APPLIES ONLY TO A COVERED ENFORCEMENT ACTION FOR WHICH THE COMPTROLLER, THE ATTORNEY GENERAL, OR A STATE AGENCY IS AUTHORIZED TO BRING IN THE ENFORCEMENT OF A TAX THAT IS:**

**(1) IMPOSED UNDER THIS OR ANY OTHER ARTICLE; AND**

**(2) COLLECTED BY OR PAID TO THE STATE.**

**1-402.**

(a) Subject to the limitations of this subtitle and except as provided in subsection [(b)] (C) of this section, a whistleblower who voluntarily provides original information to the Comptroller in a sworn affidavit that, because of the original information, results in a final assessment in a covered enforcement action[, or a successful outcome against a taxpayer in a related action,] shall be entitled to receive a monetary award of at least 15% but not exceeding 30% of the taxes, penalties, and interest collected through the enforcement action [or related action].

**(B) (1) IF A WHISTLEBLOWER PROVIDES ORIGINAL INFORMATION TO THE COMPTROLLER INVOLVING A TAX FOR WHICH THE ATTORNEY GENERAL OR A STATE AGENCY IS AUTHORIZED TO BRING A COVERED ENFORCEMENT ACTION, THE COMPTROLLER SHALL PROVIDE THE ORIGINAL INFORMATION TO THE ATTORNEY GENERAL OR THE STATE AGENCY, AS APPLICABLE.**

**(2) IF, BECAUSE OF A WHISTLEBLOWER’S ORIGINAL INFORMATION, THE ATTORNEY GENERAL OR A STATE AGENCY BRINGS A COVERED ENFORCEMENT ACTION THAT RESULTS IN A FINAL ASSESSMENT, THE ATTORNEY GENERAL OR THE STATE AGENCY SHALL PROMPTLY PROVIDE TO THE COMPTROLLER INFORMATION PERTAINING TO THE FINAL ASSESSMENT FOR PURPOSES OF MAKING A DETERMINATION UNDER THIS SUBTITLE CONCERNING AN AWARD.**

[(b)] (C) A whistleblower who provides information to the Comptroller in a sworn affidavit that is related to original information previously reported to the Comptroller by another whistleblower who is eligible for an award under subsection (a) of this section may not be entitled to an award unless the information provided by the whistleblower materially adds to the information previously reported to the Comptroller.

[(c)] (D) If two or more whistleblowers are eligible for an award under subsection (a) of this section arising out of the same covered enforcement action [or related action]:

(1) the total award may not exceed 30% of the taxes, penalties, and interest collected through the enforcement action [or related action]; and

(2) the Comptroller shall determine the allocation of the award among the eligible whistleblowers.

1–403.

(a) (1) The determination of the amount of an award made in accordance with § 1–402 of this subtitle shall be solely in the discretion of the Comptroller.

(2) In determining the amount of the award, the Comptroller shall consider:

(i) the significance of the information provided by the whistleblower to the success of the covered enforcement action [or related action];

(ii) the degree of assistance provided by the whistleblower and any legal representative of the whistleblower in the covered enforcement action [or related action];

(iii) the amount of the unpaid taxes owed the State that may be recovered under the covered enforcement action [or related action];

(iv) the interest of the State in deterring violations of this **AND ANY OTHER** article and promoting the reporting by whistleblowers of information relating to those violations; and

(v) any additional relevant factors that the Comptroller may establish by regulation.

(b) An award may not be provided to a whistleblower if the Comptroller determines that the whistleblower:

(1) is, or was at the time that the whistleblower acquired the original information provided to the Comptroller, a member, an officer, or an employee of a federal, state, or local law enforcement agency responsible for the enforcement of tax–related matters;

(2) was convicted of a criminal violation related to the covered enforcement action [or related action] for which the whistleblower otherwise could receive an award under this section;

(3) could have been convicted of a criminal violation or held personally liable for the tax liability related to the covered enforcement action [or related action] for which the whistleblower otherwise could receive an award under this section had the

whistleblower provided the original information before the expiration of any applicable statute of limitations for prosecution or assessment of the whistleblower; or

(4) when submitting information under this subtitle, knowingly and willfully made false, fictitious, or fraudulent statements to the Comptroller or used any false writing or document knowing the writing or document contained a false, fictitious, or fraudulent statement or entry.

(c) (1) A determination of the Comptroller under this section may be challenged in accordance with Title 10, Subtitle 2 of the State Government Article if the challenge is brought within 45 days of the date of the determination.

(2) In bringing a challenge in accordance with paragraph (1) of this subsection, the whistleblower may not challenge:

(i) the decision to conduct or the method of conducting an investigation arising from the original information provided by the whistleblower;

(ii) the amount of any unpaid taxes, penalties, or interest due to the State arising from the original information provided by the whistleblower;

(iii) the result of a covered enforcement action [or related action] arising from the original information provided by the whistleblower; or

(iv) any settlement between the State and a person having a tax liability that arises from the original information provided by the whistleblower.

1-405.

(a) A current or prospective employer, contractor, or agent may not discharge, demote, suspend, threaten, or harass, directly or indirectly, or in any other manner discriminate or retaliate against an individual in the terms and conditions of employment because of a lawful act done by that individual:

(1) in providing information to the Comptroller or a law enforcement agency concerning a possible violation of [State tax] law **THAT IMPOSES A TAX UNDER THIS OR ANY OTHER ARTICLE**, including a rule or regulation, that has occurred, is ongoing, or is about to occur;

(2) in initiating, testifying in, or assisting in an investigation or [judicial or administrative] **COVERED ENFORCEMENT** action [of the Comptroller or law enforcement agency or a related action];

(3) in reporting a violation of this [title] **OR ANY OTHER ARTICLE** to another governmental entity or to a director, supervisor, or compliance officer of the employer, contractor, or agent; or

(4) in refusing or declining any agreement that would provide for arbitration of claims arising under this **OR ANY OTHER** article.

1–406.

Nothing in this subtitle may be construed to:

(1) preempt, limit, or restrict the authority or discretion of the Comptroller to investigate or enforce a violation of this **OR ANY OTHER** article;

(2) limit any power otherwise granted in this article or other laws to the Comptroller, Attorney General, State agencies, or local governments to investigate or enforce possible violations of this **OR ANY OTHER** article;

(3) authorize a private right of action involving a violation of this **OR ANY OTHER** article, except as specifically authorized in this **OR ANOTHER** article;

(4) prevent or prohibit a person from voluntarily disclosing any information concerning a violation of this **OR ANY OTHER** article to any law enforcement agency or self-regulatory organization; or

(5) preempt, limit, restrict, or otherwise affect the rights and rewards provided to qui tam plaintiffs under the Maryland False Claims Act.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.