

SENATE BILL 766

Q7

6lr2978
CF HB 1197

By: Senator Zucker

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

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**

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.

3 1-401.1.

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

9 1-402.

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

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

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

33 **[(c)] (D)** If two or more whistleblowers are eligible for an award under subsection
34 (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

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

5 1-403.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 1-405.

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

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

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

32 (3) in reporting a violation of this [title] **OR ANY OTHER ARTICLE** to
33 another governmental entity or to a director, supervisor, or compliance officer of the
34 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.

3 1-406.

4 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;

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

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

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

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