

SENATE BILL 766

Q7

6lr2978
CF HB 1197

By: **Senator Zucker**

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 4, 2026

CHAPTER _____

1 AN ACT concerning

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

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; applying the Act retroactively, subject to certain limitations; and
13 generally relating to the collection and enforcement of taxes in 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)

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

3 **Article – Tax – General**

4 1–401.

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

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

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

12 (ii) the [State and county] tax liability of a business, including those
13 persons who are jointly and severally liable for the [State] tax liability of a business under
14 this **OR ANY OTHER** article, the annual gross receipts or sales of which are at least
15 \$2,000,000; and

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

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

18 (1) is derived from the independent knowledge or analysis of a
19 whistleblower;

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

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

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

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

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

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

8 **1-401.1.**

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

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

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

14 **1-402.**

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

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

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

33 **[(b)] (C)** A whistleblower who provides information to the Comptroller in a
34 sworn affidavit that is related to original information previously reported to the
35 Comptroller by another whistleblower who is eligible for an award under subsection (a) of

1 this section may not be entitled to an award unless the information provided by the
2 whistleblower materially adds to the information previously reported to the Comptroller.

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

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

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

9 1-403.

10 (a) (1) The determination of **ELIGIBILITY FOR AND** the amount of an award
11 made in accordance with § 1-402 of this subtitle shall be:

12 **(I) EXCEPT AS PROVIDED UNDER ITEM (II) OF THIS**
13 **PARAGRAPH, solely in the discretion of the Comptroller; OR**

14 **(II) WITH RESPECT TO ELIGIBILITY OF A WHISTLEBLOWER FOR**
15 **AN AWARD UNDER THIS SUBTITLE FOR PROVIDING ORIGINAL INFORMATION**
16 **REGARDING TAX LIABILITY UNDER ANOTHER ARTICLE, SOLELY IN THE DISCRETION**
17 **OF THE ATTORNEY GENERAL OR STATE AGENCY AUTHORIZED TO BRING A COVERED**
18 **ENFORCEMENT ACTION BASED ON THAT ORIGINAL INFORMATION.**

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

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

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

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

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

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

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

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

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

10 (3) could have been convicted of a criminal violation or held personally
11 liable for the tax liability related to the covered enforcement action [or related action] for
12 which the whistleblower otherwise could receive an award under this section had the
13 whistleblower provided the original information before the expiration of any applicable
14 statute of limitations for prosecution or assessment of the whistleblower; or

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

19 (c) (1) A determination of the Comptroller, ATTORNEY GENERAL, OR
20 STATE AGENCY under this section may be challenged in accordance with Title 10, Subtitle
21 2 of the State Government Article if the challenge is brought within 45 days of the date of
22 the determination.

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

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

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

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

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

33 **(3) A HEARING UNDER THIS SUBSECTION SHALL BE CONDUCTED BY**
34 **THE OFFICE OF ADMINISTRATIVE HEARINGS.**

1 1-405.

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

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

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

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

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

18 1-406.

19 Nothing in this subtitle may be construed to:

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

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

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

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

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That:

1 (a) This Act shall be construed to apply retroactively and shall be applied to and
2 interpreted to affect the provision of original information by a whistleblower in a sworn
3 affidavit to the Comptroller on or after October 1, 2021.

4 (b) (1) This subsection applies to a whistleblower who voluntarily provided
5 original information to the Comptroller in a sworn affidavit before the effective date of this
6 Act that pertains to a tax that is imposed under an article of the Annotated Code of
7 Maryland other than the Tax – General Article.

8 (2) If the original information provided by the whistleblower results in a
9 successful outcome against a taxpayer in a covered enforcement action, as defined under §
10 1–401 of the Tax – General Article, as enacted by Section 1 of this Act, the whistleblower
11 may be entitled to receive a monetary award in accordance with § 1–402 of the Tax –
12 General Article, notwithstanding the thresholds under § 1–401(b) of the Tax – General
13 Article.

14 (3) If the whistleblower was determined to be ineligible for a monetary
15 award under Title 1, Subtitle 4 of the Tax – General Article before the effective date of this
16 Act, the whistleblower may appeal the determination in accordance with § 1–403(c) of the
17 Tax – General Article, as enacted by Section 1 of this Act, if the appeal is brought within
18 45 days after the effective date of this Act.

19 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.