

ANTONIO HAYES
Legislative District 40
Baltimore City

Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 19th, 2020

**Testimony of Senator Antonio Hayes in Support of SB 941:
Motor Fuel Tax - Claims for Refund**

Chairman Guzzone and Members of the Budget and Taxation Committee,

SB 941 is a straightforward change that matches the time a business owner can file for a refund if they overpaid motor fuel taxes with the look-back period the Comptroller uses during an audit review. The current law allows for a one-year period to file a refund request for overpayment. SB 941 changes that period to three years.

It is common for motor fuel wholesalers to undergo audits. They collect multi-millions of dollars in motor fuel taxes and are responsible for remitting it to the state. The audits conducted by the state are often like reconciliations and sometimes it becomes clear the business owner has overpaid motor fuel taxes. Under current law, if the business owner has overpaid taxes to the state, they can only request a refund "reconcile" within a one-year timeframe. If the State is owed additional money, they can request the taxes in a three-year timeframe.

We believe this change is fair. Current law allows the Comptroller to look back at a business owner during an audit review for 3-years and further if there is sign of wrongdoing. Business owners should be able to file a refund request for overpayment of taxes in the same period.

I urge a favorable report on Senate Bill 310.

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio Hayes".

Senator Antonio L. Hayes
Chair, Baltimore City Senate Delegation
40th Legislative District - MD