

**KATIE FRY HESTER**  
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Education, Health, and  
Environmental Affairs Committee

Chair, Joint Committee on  
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**THE SENATE OF MARYLAND**  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of SB477 - Office of the Comptroller - Legal Division and Private Letter Ruling Procedures**

February 16, 2022

Chairman Guzzone, Vice-Chair Rosapepe, and members of the Budget and Taxation Committee, thank you for your consideration of SB477, to establish a Legal Division in the Office of the Comptroller to manage and respond to private letter ruling (PLR) requests per Recommendation 13 of the [Augustine Commission's report](#).

Hardworking Marylanders and small business owners occasionally make unintentional errors when filing their annual or quarterly tax reports to the Comptroller's office. Unfortunately, these errors often lead to penalties and fees that are magnitudes greater than the error itself – reaching as high as \$40M in 2015.

To prevent these avoidable mistakes and fines in the future, SB477 would establish a process identical to that of the IRS where Marylanders may solicit direct guidance from the Comptroller's office on handling specific, unusual, or simply complicated tax circumstances. In addition to this process, SB477 would require the Comptroller's office to maintain a repository where Marylanders may view previous rulings in order to avoid these common mistakes. Personally identifiable information, of course, would be redacted before PLRs are made publicly available, and after speaking with the Maryland Association of CPAs, I have drafted an amendment to remove the three-year sunset on rulings' public availability so that Marylanders can continue to access this information as long as it is relevant.

Our workers and business owners fully intend to pay their taxes correctly, and they deserve our support when faced with complicated tax situations. By improving the Comptroller's ability to prevent mistakes in the first place, we can simultaneously avoid unnecessary fines and reduce the hours spent auditing and prosecuting small mistakes. **For these reasons, I respectfully request a favorable report on SB477.**

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester".

Senator Katie Fry Hester  
Carroll and Howard Counties