

Testimony of a Protected Whistleblower

SB 0766 – Taxes- Whistleblower Reward Program

I offer this testimony as a whistleblower protected under Maryland’s Whistleblower Rewards Program, [Maryland Tax-General Code §1-401](#), et seq. Maryland adopted this first-of-its-kind state tax whistleblower program effective October 1, 2021. As the first whistleblower under this program, my experience demonstrates the urgent need for legislative guidance to ensure fair and proper administration of the program.

Background

Within 6 weeks of the program coming into effect, I began supplying information to the Comptroller about the failure of certain businesses to pay the premium receipts tax. The premium receipts tax is imposed by the Insurance Code and administered by the Maryland Insurance Administration (MIA). Over the next four years, I provided the Comptroller with more than 50 such reports of premium receipts tax violations. Through Public Information Act requests, I have learned that MIA has collected over \$1.2 million in unpaid taxes based on my reports.

I have never received any information about the status of my reports from the Comptroller. I learned from the [Comptroller’s mandated report](#) filed with the General Assembly on December 30, 2025, that the Comptroller “determined that the Whistleblower Reward Program (WRP) is applicable only to taxes collected by the Comptroller under Tax General Article and any information received by the agency from a whistleblower concerning the [premium receipts tax] is not covered the WRP”. The Comptroller has never sent me notice of this determination.

The Comptroller has Failed to Fully Implement the Statute or Her Own Guidance

The plain language of the existing statute creating the program applies to **both** taxes collected by the Comptroller under the Tax General Article **and** to taxes collected by any other State agency under any other State tax law. Specifically, [Tax-Gen. § 1-402\(a\)](#) provides that a “whistleblower” is entitled to a reward for **either** a successful “covered enforcement action” **or** a successful “related action.”

- A “[whistleblower](#)” is defined as a person who provides “information to the Comptroller in a sworn affidavit relating to a **violation of State tax law**.”
- A “[related action](#)” is defined as “any judicial or administrative action brought by a **State or local agency** or entity based on the original information provided by a whistleblower to the Comptroller.”

In [Technical Bulletin 45](#) announcing the program, the Comptroller adopted these same terms applying the program to **all** State taxes. However, in practice, the Comptroller has implemented the program only as to taxes her office administers under the Tax-General Code. The Comptroller has inexplicably failed to implement the program as to all other State taxes.

SB 0766 Directs the Comptroller to Fully Implement the Program

The Bill brings what is currently defined as a “related action” into the definition of “covered enforcement action.” By eliminating the distinction between taxes imposed in the Tax-General Code and the taxes imposed in other Codes, the Comptroller receives very clear instructions to implement the program in full.

Modification Necessary to Prevent Unlawful Taking of Existing Whistleblower Rights

Current legislation does make a distinction between tax recoveries under the Tax-General Code and the tax recoveries under any other Code. A whistleblower will be paid a reward for taxes recovered under the Tax-General Code (e.g., income tax) only if the taxes in dispute exceed \$250,000. However, this threshold does not apply to taxes recovered under any other Code (e.g., the premium receipts tax).

As written, the rewards owed to existing whistleblowers for taxes recovered outside of the Tax-General Code (of which I believe I am the only one) would be retroactively subject to the \$250,000 threshold. The retroactive application of the \$250,000 threshold would unlawfully divest me of certain rewards that I have already earned but the Comptroller has refused to pay.

This unlawful retroactive application of the \$250,000 threshold could be fixed by either:

- Removing the \$250,000 threshold altogether; or
- Applying the \$250,000 threshold to taxes outside of the Tax-General Code for submissions of information to the Comptroller starting from October 1, 2026.

Importance of a Fully, Fairly and Properly Implemented Program

From personal experience, I can assure you that it is extremely stressful to be a whistleblower. Whistleblowers depend on the full, fair and proper implementation of protective statutes such as this one to safeguard their identities and give them recourse when suffering unlawful retaliation. The rights and protections of whistleblowers are entrusted entirely to the public servants administering these programs. SB 0766 is a major step in restoring trust in Maryland’s Whistleblower Reward Program.

Thank you for your consideration of SB 0766 and the modifications I suggest here.