

Maryland Senate Budget and Taxation Committee

Chair: Senator Guy Guzzone

Vice Chair: Senator Jim Rosapepe

Hearing on Thur 2nd Apr 2026 at 1PM.

Re: HB1149, State Finance – Claims of the State – Settlement

Position: SUPPORT

Testimony:

Thank you Senator Guzzone and Senator Rosapepe for this opportunity. Thank you Delegate Young and Delegate Hornberger for sponsoring this important legislation.

My name is Jonathan Rivlin and I am a CPA in public practice. My office is in Owings Mills. This is now my 28th tax season. I work with my father, David Rivlin, also a CPA now in his 53rd tax season.

In our practice, we see first hand what happens to our fellow Marylanders that fall behind in their taxes. The system in its current setup is punitive and makes it difficult for people to get back into compliance.

For those people that are true tax scofflaws, I support this system. However, for those people who have suffered from a traumatic situation (divorce, a medical condition, destruction of property, etc), that have fallen behind in their filing of returns and/or payment of tax, but could otherwise come back to the ‘straight and narrow’ – and have an attitude where they want to comply, the State affords no flexibility. In fact, with the current mandatory 2 year waiting period to submit an Offer in Compromise (OIC), such people are pushed further away from being able to get back on their feet. Please note that the IRS does not have such a waiting period for a federal OIC.

I am currently working with one of our fellow Marylanders who is working through a situation that cries out for this legislation. The person suffered a mental breakdown and lost his job, his home, his marriage, his car – and because of the requisite tax issues, his ability to renew his professional license. We prepared the tax returns for all of the back years but were told by the Comptroller’s Office that his OIC could not be considered because of this 2 year limitation.



R

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC. Advisory services through Cambridge Investment Research Advisors, Inc. a Registered Investment Adviser. Cambridge and The Rivlin Group are not affiliated.

Our client is currently living in a group home and seeing a mental health professional. He is on the road to recovery – which considering that he had a suicide attempt, is no small matter.

I must ask you, members of this committee – do we the people really want to incentivize suicide as the only practical way out of a crushing tax debt?

Note that prior to this person's descent, they had a salary of over \$100k. Because of the tax debts hanging over them, they are stuck in a low paying job earning a small percentage of what they used to earn. Many employers avoid hiring people with open debts. This is a vivid example of the system keeping someone down.

On more practical terms, I submit these arguments for your consideration:

- 1) A person able to earn a decent wage generates more tax revenues for the State than a person trapped in a low income job because the State has put a hold on their ability to renew things like their driver's license, professional license, and other related items needed to find gainful employment in this modern economy.
 - a. As in the case described above – if the person could settle their debts, they'd be able to move on with their life and find gainful employment that would ultimately benefit the state as well.
- 2) Usually, when a taxpayer falls behind, not only is there a debt to the State, but there is also an often larger debt to the IRS. Such taxpayers have limited resources to draw from to settle their debts. In the current legal framework, the IRS takes these resources as part of the federal OIC process, leaving little to nothing for the State. Removing this 2 year limitation will give the State an opportunity to claim a piece of such resources while also helping to get our fellow Marylanders back on their feet.
 - a. Note that the federal OIC forms (IRS Forms 656 and 433-A (OIC)), has a line item for delinquent state taxes.
 - b. Specific reference is: Form 433-A (OIC), Section 7, Line 51 which can be found at the bottom of page 6 of this form.
 - i. Version of the form referenced above is (Rev. 4-2025)
- 3) A piece of something is better than all of nothing.

Thank you all again for the opportunity to testify **in favor of and support for this bill, HB1149.**

Sincerely,

Jonathan Rivlin, CPA

Jonathan Rivlin, CPA

R

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC. Advisory services through Cambridge Investment Research Advisors, Inc. a Registered Investment Adviser. Cambridge and The Rivlin Group are not affiliated.