

SB766- Amendment.pdf

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SB0766/813526/1

AMENDMENTS
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BY: Senator Zucker
(To be offered in the Budget and Taxation Committee)

AMENDMENTS TO SENATE BILL 766
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Expansion**” and substitute “**Alterations**”; and in line 12, after “circumstances;” insert “applying the Act retroactively, subject to certain limitations;”.

AMENDMENT NO. 2

On page 6, after line 16, insert:

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

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

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

(2) If the original information provided by the whistleblower results in a successful outcome against a taxpayer in a covered enforcement action, as defined under § 1–401 of the Tax – General Article, as enacted by Section 1 of this Act, the whistleblower may be entitled to receive a monetary award in accordance with § 1–402 of the Tax – General Article, notwithstanding whether the taxes in dispute exceed \$250,000.

(3) If the whistleblower’s claim for a monetary award under Title 1, Subtitle 4 of the Tax – General Article was denied by the Comptroller, the whistleblower may appeal the denial in accordance with Title 10, Subtitle 2 of the State Government Article if the appeal is brought within 45 days after the effective date of this Act.”;

and in line 17, strike “2.” and substitute “3.”.

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Position: FWA

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Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 766-Property Taxes - Whistleblower Reward Program - Expansion.
March 4th, 2026
1:00pm
Position: Favorable

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and distinguished members of the Budget and Tax Committee. It is my pleasure to testify today in **support of Senate Bill 766-Property Taxes - Whistleblower Reward Program - Expansion.**

SB 766 builds on legislation passed in 2021 ([SB 0916](#)) that established a whistleblower reward program to incentivize whistleblowers who help the State to detect tax fraud.

Although the vast majority of taxpayers comply with state tax laws, those who don't starve the State of needed revenues and ultimately shift the tax burden onto those who play by the rules.

Background

The 2021 law was modeled on the IRS Whistleblower Office, which has successfully recouped billions of dollars in unpaid taxes for the federal government. In FY 2024 alone, the IRS collected \$474 million in proceeds from cases brought forward by whistleblowers.^[1] Many of these tax code violations would not have been caught without the involvement of whistleblowers.

The U.S. Treasury's Inspector General for Tax Administration found in its review of the IRS program that audits and exams based on whistleblower information were nearly twice as productive as normal IRS examinations.^[2] Cases brought by whistleblowers are also more likely to result in penalties being assessed as compared to other tax fraud cases.

Maryland's whistleblower program has yielded positive returns for the State. For instance, in 2023, investigations instigated by whistleblower complaints yielded \$1.8 million in taxes, interest, and penalties. In 2025, the Comptroller's Office received original information from a whistleblower that resulted in \$1.2 million in taxes, interest, and penalties being assessed. These financial returns are in spite of the program being used very judiciously, with only 15 to 48 cases reported annually by whistleblowers.

^[1] IRS Whistleblower Office, FY 2024 Annual Report

^[2] National Whistleblower Center Letter to the U.S. Senate Finance Committee, July 7, 2020.

Legislative Intent

It was always intended that the 2021 legislation—now law—include all types of taxes. The legislation never specified that the bill should be limited to particular taxes, such as income taxes or other taxes within the Tax General Article. When the bill came before the Senate Budget & Taxation Committee it was never debated that the bill would be limited to whistleblower cases for specific types of taxes.

Moreover, the plain text language of the law clearly states that whistleblowers who provide information resulting in a successful outcome against a taxpayer in a “related action” are covered by the program. Related action is explicitly defined as any administrative or judicial action brought by a State or local agency or entity based on the original information provided by a whistleblower to the Comptroller’s Office.

In spite of this clear legislative intent, the Comptroller’s Office has rejected whistleblower claims that fall outside of the Tax General Article. For example, a single whistleblower filed dozens of complaints alleging that captive insurance companies were evading Maryland taxes. A captive insurance company is essentially a company-owned insurer that allows a parent company to claim insurance premiums as tax deductible business expenses. The whistleblower went to great lengths to research their allegation that these captive insurance companies owe Maryland's 3% premium receipts tax, including incurring out-of-pocket costs for requesting documents through the Maryland Public Information Action. Upon receipt, the Comptroller's Office forwarded these allegations to the Maryland Insurance Administration. Although many of these cases are still being investigated, the MIA has settled with several companies for a total of more than \$1 million. At least 17 companies are still under investigation. The Comptroller’s Office, however, ruled that these cases fall outside the scope of the whistleblower program, meaning the whistleblower who triggered the investigations will receive no reward.

This bill makes clear that Maryland’s Whistleblower Reward Program covers all types of taxes owed to and collected by the State. Additionally there are two amendments to SB 766. The first applies the Act retroactively, subject to certain limitations. The second sets the limitation for whistleblowers who provide original information in a sworn affidavit to the comptroller on or after October 1, 2021. The amendment also permits whistleblowers whose claims were denied by the Comptroller to appeal within 45 days to receive their reward if the tax is imposed under an article of the Maryland Code other than the Tax - General Article. This ensures that any whistleblowers who should have been rewarded after the passing of SB 0916, in 2021, are able to appeal for the reward they were statutorily allowed.

By making clear the scope of the Whistleblower Reward Program, we would ensure that all types of tax fraud can be properly investigated by the State. SB 766 maintains all safeguards that were put in place when the program was established while ensuring that whistleblowers who came forward at great personal risk receive statutorily allowed rewards. For these reasons **I respectfully urge a favorable report on Senate Bill 766.**

SB0766_Testimony_Dr_Cashenna_Cross.pdf

Uploaded by: Dr Cashenna A Cross

Position: FWA

Written Testimony on Senate Bill 0766

The Honorable Dr Cashenna A Cross
Councilwoman at Large, City of Glenarden, Maryland
United States Air Force Veteran

Position: Favorable with Amendments

Chair and Members of the Committee,

I submit this testimony based on my experience as a municipal elected official, a veteran with operational public safety experience, and a community leader who regularly works alongside local law enforcement agencies responsible for maintaining public trust while protecting public spaces.

Senate Bill 0766 proposes to expand the jurisdiction and enforcement authority of the Maryland Capitol Police to operate statewide with enhanced police powers related to state owned and state leased facilities and surrounding areas. The goal of improving protection of public buildings and infrastructure is understandable and important. Maryland residents expect safety in and around public facilities, and coordinated security efforts can support that objective.

However, the expansion of statewide authority raises practical and governance concerns for municipalities and counties that already maintain primary responsibility for public safety within their jurisdictions. Local police departments are accountable to residents through local leadership, established response protocols, and community relationships that have been built over time. Any expansion of authority must preserve coordination, clarity of command, and transparency.

From a municipal perspective, overlapping jurisdiction without clear guardrails may create operational confusion during incidents, duplication of enforcement activity, and uncertainty regarding accountability. Local governments must remain informed partners whenever enforcement activity occurs within their boundaries.

For these reasons, I respectfully support Senate Bill 0766 with amendments designed to strengthen coordination and public confidence while maintaining the intent of enhanced safety.

Recommended Amendments

First, require formal coordination protocols between Maryland Capitol Police and local law enforcement agencies prior to exercising expanded authority except in immediate emergency circumstances.

Second, establish clear reporting requirements documenting when statewide authority is exercised, including notification timelines and incident summaries shared with affected municipalities or counties.

Third, require joint training and operational guidance to ensure consistent procedures across agencies and prevent conflicting enforcement actions.

Fourth, include periodic legislative reporting to evaluate outcomes, operational impacts, and effectiveness of expanded jurisdiction.

These amendments reflect a balanced approach. Public safety is strengthened when authority is paired with accountability and collaboration. Maryland communities benefit most when state and local agencies operate as coordinated partners rather than overlapping systems.

My record in municipal leadership has consistently supported responsible governance that protects both safety and public trust. This position reflects that same principle. With thoughtful amendments, Senate Bill 0766 can improve protection of public assets while preserving the transparency and coordination that residents expect.

Respectfully submitted,

The Honorable Dr Cashenna A Cross
Councilwoman at Large
City of Glenarden Maryland

SB0766_ProtectedWhistleblower-Favorable with Amend

Uploaded by: Protected Whistleblower Protected Whistleblower

Position: FWA

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.

HCCC_SB 766_UNFAV.pdf

Uploaded by: Andrew Griffin

Position: UNF



March 4, 2026

Legislative Position: Unfavorable
Senate Bill 766
Taxes - Whistleblower Reward Program - Alterations
Senate Budget & Taxation Committee

Dear Chair Wilkins and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber is an effective partner with elected officials and advocates for the interests of the county's business community.

While well-intentioned in its aim to strengthen tax administration through a broader whistleblower reward program, Senate Bill 766, as currently drafted, stands to create unintended and harmful consequences for Maryland's small businesses.

1. **Increased Compliance Burdens on Small and Growing Businesses**

By encouraging third-party reporting of alleged tax issues, the bill creates an environment where small business owners, already managing tight margins and limited administrative capacity, will face increased risk of audits, investigations, and costly disputes. Even compliant businesses can be dragged into protracted enforcement actions due to the vague standards for "original information." The fear of whistleblower-driven enforcement will force many small firms to divert scarce resources from job creation and service delivery to defensive tax compliance.

2. **Risk of Frivolous Claims and Business Uncertainty**

A whistleblower reward program by design incentivizes reporting; however, absent strong safeguards, it invites frivolous complaints and opportunistic claims. Small businesses with limited legal and accounting resources will be especially vulnerable to meritless assertions that may never rise to actual liability but still cause stress, expense, and reputational harm during investigation.

3. **Unlevel Playing Field for Maryland Businesses**

In an era where neighboring states are competing aggressively for business investment, Maryland should be wary of policies that increase operational risk. Small companies are already expressing concern about Maryland's tax climate and operating costs. Adding a program that could create uncertainty around tax enforcement serves only to reinforce perceptions that the state is a less friendly environment for small business growth compared with Delaware, Virginia, and Pennsylvania.

In light of these concerns, we urge an unfavorable report **for Senate Bill 766**.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce

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Uploaded by: Matthew Dudzic

Position: INFO



Letter of Information

Senate Bill 766 – Taxes – Whistleblower Reward Program – Alterations Budget & Taxation Committee March 4, 2026

The Comptroller of Maryland is respectfully submitting this letter of information regarding Senate Bill 766 – Taxes – Whistleblower Reward Program – Alterations. SB766 expands the covered enforcement actions under the Whistleblower Reward Program.

The Whistleblower Reward Program (WRP) was established in 2021 as an incentive to the public to report tax improprieties to the Comptroller's office for the purpose of auditing and investigating potential tax fraud. The Comptroller is responsible for administering the program, which provides a monetary reward to a whistleblower who provides original information to the Comptroller that results in a final assessment against a taxpayer.

While the Comptroller is the revenue administrator for the State of Maryland, several tax types fall outside the Comptroller's jurisdiction, such as premium receipts taxes (which are overseen by the Maryland Insurance Administration) and property taxes (which fall under the Department of Assessments and Taxation). In determining how to interpret whistleblower claims related to taxes administered by other agencies, the Comptroller sought advice of counsel, and the Office of the Attorney General advised that the WRP is only applicable to taxes collected by the Comptroller under the Tax – General Article.

SB766 states that covered enforcement actions under the WRP include enforcement actions brought by entities other than the Comptroller. We appreciate the clarity that SB766 provides regarding the types of claims that may be brought before the WRP. If the WRP is expanded to include these claims, we would also request guidance on the following questions:

- 1. Is SB766 intended to be retroactive or prospective?** We would appreciate guidance regarding whether SB766 should only apply to new claims or should retroactively apply to previous claims that have been submitted to the WRP.
- 2. What agency is responsible for initial determination of eligibility for whistleblower claims?** The Comptroller of Maryland does not have the subject matter expertise to render decisions regarding taxes that it does not administer. In cases where the whistleblower claim is regarding a tax or fee not administered by the Comptroller, we would request clarifying language indicating that the administering agency makes this determination.



- 3. How should appeals of contested WRP claims be handled?** The law currently permits appeals of WRP claims to be handled either internally through a hearing procedure developed by the Comptroller or via the Office of Administrative Hearings (OAH). Given that SB766 will expand the scope of WRP claims to taxes administered by agencies other than the Comptroller, we would recommend creating a standardized process where all claims appeals are referred to OAH.

We would also appreciate clarity on the source of funds for payment of awards. The monetary award for whistleblower claims is a percentage of the taxes, penalties, and interest collected through enforcement action. To avoid potential litigation between state agencies, if the WRP is expanded to include taxes administered by other agencies, the Committee may wish to consider including language that definitively states which agency is responsible for the payment.

Thank you for your consideration. If you have any questions, please reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.