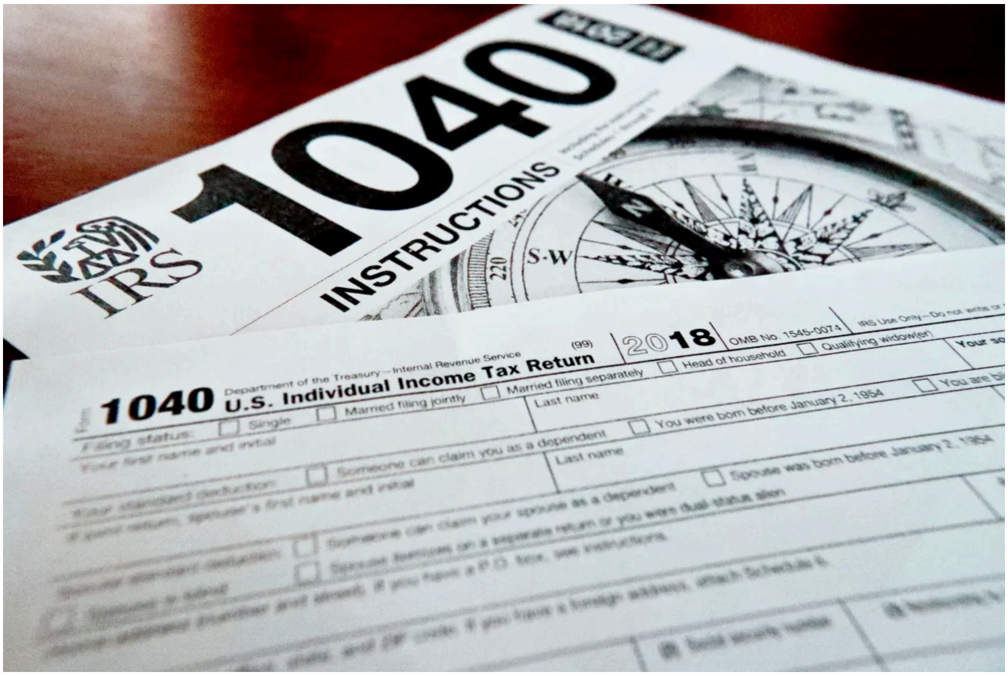
**OPINION > COMMENTARY**

# Maryland’s tax rules are leaving the vulnerable behind | GUEST COMMENTARY




**Keith Srakocic/ Associated Press file**

Multiple forms printed from the Internal Revenue Service web page that are used for U.S. federal tax returns. (AP Photo/Keith Srakocic, File)

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By **SAKINAH TILLMAN**

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Maryland is unique in many ways, and proudly so. But in one important instance, being an outlier is a problem to be corrected.

Under current law, Maryland requires taxpayers seeking to settle a tax debt to wait two years before they are even eligible to apply. Only after being in arrears for that long can they seek relief through the state’s Offer in Compromise Program, a process that allows individuals to settle their tax debt for less than what it was originally, when full repayment would cause financial hardship.

Of the 28 states that offer this kind of agreement, Maryland is the only one that imposes a mandatory two-year waiting period. Compounding the issue, the law doesn’t clearly define “arrears,” leaving taxpayers as well as their tax professionals to interpret vague terms and guess when eligibility begins.

For Marylanders trying to comply and move toward resolution, that waiting period can be devastating. In my research — the first of its kind to examine this policy and its real-world effects — I found it not only delays relief and increases confusion but also places unnecessary burdens on the very people the program is intended to assist.

This delay doesn't just set Maryland apart, it puts thousands of low-income residents at a disadvantage. These are taxpayers doing the right thing. They want to resolve their debts. They are proactively engaging with the process and requesting relief that's available by law. But under Maryland's current statute, they must wait and, in the meantime, face mounting penalties and interest that make repayment even harder.

The requirement comes from a statute dating back to 1884 that authorizes the comptroller to settle tax debts quickly. The statute was later amended to include "arrears," which is never clearly defined. In practice, the comptroller's office starts the clock from the date of the most recent assessment notice and can issue new notices for the same tax year, resetting the clock indefinitely.

This ambiguity has real consequences. Taxpayers and their representatives often have no clear way to know when the two-year period begins. They submit applications believing they're eligible — only to be denied. Meanwhile, enforcement actions like wage garnishment or bank levies may continue unchecked.

The people affected by this policy are not avoiding responsibility. Many are gig workers or independent contractors who received 1099 income without realizing they needed to make estimated payments. Others didn't have enough tax withheld from their paychecks. Still, they take the proactive step of seeking a legal path to settle their debts — often with help from the UDC David A. Clarke School of Law's Tax Clinic, where I serve as director.

Maryland's policy punishes that effort, contradicting the law's original intent. When the settlement statute was enacted, it was meant to make it easier for the state to resolve tax claims. Today, it does the opposite — creating confusion and needless delay that

The clients we work with are trying to make things right — they are gathering documents, submitting paperwork, asking for assistance — only to be denied because of an unclear and shifting timeline. These individuals aren't gaming the system. They're trying to navigate it.

Unlike Maryland, most states begin the offer in compromise process once a tax liability becomes final and unpaid. That approach gives taxpayers clear rules and a reasonable timeline. Maryland's method, by contrast, lacks predictability and places too much discretion in the hands of the comptroller, without transparency or meaningful recourse.

This isn't just a technical flaw. It is a structural barrier that disproportionately harms people with fewer resources and less access to professional help. The consequences — such as lost wages, frozen accounts, suspended licenses — can quickly spiral into job loss or housing insecurity.

State lawmakers can and should repeal the arbitrary two-year rule. At the very least, the statute should be amended to clearly define "arrears" and prevent repeated notices from resetting eligibility. Tax policy should be consistent, understandable and fair — not an obstacle course that punishes people trying to do the right thing.

Taxpayers who seek to resolve their debts through established legal channels deserve clarity, not confusion and penalty. Maryland's rule fails that standard. It's time for that to change.

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