

SENATE BILL 428

Q7
SB 260/17 – B&T

8lr1898

By: **Senators Bates, Cassilly, Eckardt, Edwards, Hershey, Ready, Robinson, Salling, Serafini, Simonaire, and Waugh**

Introduced and read first time: January 25, 2018

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 20, 2018

CHAPTER _____

1 AN ACT concerning

2 **Tax Overpayment – Interest on Refunds**

3 FOR the purpose of altering the day on which interest begins to accrue on certain taxpayer
4 refunds of certain tax payments; requiring a tax collector to pay interest on certain
5 taxpayer refunds beginning on a certain date if the overpayment is attributable to
6 an error or a mistake of a certain entity; repealing a prohibition on a tax collector
7 paying interest on certain refunds; and generally relating to interest on certain tax
8 refunds.

9 BY repealing

10 Article – Tax – General

11 Section 13–603

12 Annotated Code of Maryland

13 (2016 Replacement Volume and 2017 Supplement)

14 BY adding to

15 Article – Tax – General

16 Section 13–603

17 Annotated Code of Maryland

18 (2016 Replacement Volume and 2017 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article – Tax – General**2 **[13–603.**

3 (a) Except as otherwise provided in this section, if a claim for refund under §
4 13–901(a)(1) or (2) or (d)(1)(i) or (2) of this title is approved, the tax collector shall pay
5 interest on the refund from the 45th day after the claim is filed in the manner required in
6 Subtitle 9 of this title to the date on which the refund is paid.

7 (b) A tax collector may not pay interest on a refund if the claim for refund is:

8 (1) made under any provision other than § 13–901(a)(1) or (2) or (d)(1)(i) or
9 (2) of this title;

10 (2) based on:

11 (i) an error or mistake of the claimant not attributable to the State
12 or a unit of the State government;

13 (ii) withholding excess income tax;

14 (iii) an overpayment of estimated financial institution franchise tax
15 or estimated income tax; or

16 (iv) an overpayment of Maryland estate tax based on an inheritance
17 tax payment made after payment of Maryland estate tax; or

18 (3) made for Maryland estate tax or Maryland generation–skipping
19 transfer tax more than 1 year after the event on which the claim is based.]

20 **13–603.**

21 **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IF A CLAIM**
22 **FOR REFUND IS APPROVED, THE TAX COLLECTOR SHALL PAY INTEREST ON THE**
23 **REFUND FROM THE 45TH DAY AFTER THE CLAIM IS FILED IN THE MANNER**
24 **REQUIRED UNDER SUBTITLE 9 OF THIS TITLE TO THE DATE ON WHICH THE REFUND**
25 **IS PAID.**

26 **(B) IF A CLAIM FOR REFUND IS APPROVED AND THE OVERPAYMENT IS**
27 **ATTRIBUTABLE TO AN ERROR OR A MISTAKE OF THE STATE OR A UNIT OF THE STATE**
28 **GOVERNMENT, THE TAX COLLECTOR SHALL PAY INTEREST ON THE REFUND FROM**
29 **THE DATE OF THE OVERPAYMENT TO THE DATE ON WHICH THE REFUND IS PAID.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.