

# HOUSE BILL 768

Q7

5lr2795

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By: **Delegate Brooks**

Introduced and read first time: February 13, 2015

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tax Procedure – Interest Rate on Tax Deficiencies and Refunds**

3 FOR the purpose of altering the calculation of the annual interest rate that the Comptroller  
4 sets for tax deficiencies and refunds; and generally relating to the annual interest  
5 rate on tax deficiencies and refunds.

6 BY repealing and reenacting, with amendments,  
7 Article – Tax – General  
8 Section 13–604  
9 Annotated Code of Maryland  
10 (2010 Replacement Volume and 2014 Supplement)

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

13 **Article – Tax – General**

14 13–604.

15 (a) The rate of interest for each month or fraction of a month is the percent equal  
16 to one–twelfth of the annual interest rate that the Comptroller sets for the calendar year  
17 under subsection (b) of this section.

18 (b) On or before October 1 of each year, the Comptroller shall set the annual  
19 interest rate for the next calendar year on refunds and moneys owed to the State as the  
20 percent, rounded to the nearest whole number, that is at the percent that equals the  
21 **[greater] LESSER** of:

22 (1) 13%; or

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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1                   (2)     3 percentage points above the average prime rate of interest quoted by  
2 commercial banks to large businesses during the State's previous fiscal year, based on  
3 determination by the Board of Governors of the Federal Reserve Bank.

4                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
5 1, 2015.