

## Article - Tax - General

Section 13-602 and 13-702

Annotated Code of Maryland

(1988 Volume and 1993 Supplement)

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

**Article - Tax - General**

13-602.

(A) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A tax collector shall assess interest on unpaid tax from the due date to the date on which the tax is paid if a person who is required to estimate and pay financial institution franchise tax, public service company franchise tax, or income tax under § 8-210(b), § 8-405(b), or § 10-902 of this article:

(1) fails to pay an installment when due; or

(2) estimates a tax that is:

(i) less than 90% of the tax required to be shown on the return for the current taxable year; and

(ii) less than the tax paid for the prior taxable year, REDUCED BY THE CREDIT ALLOWED UNDER § 10-703 OF THIS ARTICLE.

(B) INTEREST MAY NOT BE ASSESSED ON THE UNDERESTIMATION OF INDIVIDUAL INCOME TAX IF:

(1) AT LEAST 90% OF THE INDIVIDUAL'S TAXABLE INCOME IS ALSO TAXABLE BY ANOTHER STATE; AND

(2) THE UNDERESTIMATION IS OF THE COUNTY INCOME TAX ONLY.

13-702.

(A) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A tax collector shall assess a penalty not exceeding 25% of the amount underestimated, if a person who is required to estimate and pay financial institution franchise tax, public service company franchise tax, or income tax under § 8-210(b), § 8-405(b), or § 10-902 of this article:

(1) fails to pay an installment when due; or

(2) estimates a tax that is:

(i) less than 90% of the tax required to be shown on the return for the current taxable year; and

(ii) less than the tax paid for the prior taxable year, REDUCED BY THE CREDIT ALLOWED UNDER § 10-703 OF THIS ARTICLE.