(House Bill 1749)

AN ACT concerning

Income Tax - Penalties for Fraudulent Returns

FOR the purpose of changing the civil penalties for filing a fraudulent Maryland income tax return; and clarifying language.

BY repealing and reenacting, with amendments,

Article 81 - Revenue and Taxes
Section 302
Annotated Code of Maryland
(1975 Replacement Volume and 1975 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 302 of Article 81 - Revenue and Taxes, of the Annotated Code of Maryland (1975 Replacement Volume and 1975 Supplement) be and it is hereby repealed and reenacted, with amendments, to read as follows:

Article 81 - Revenue and Taxes

302.

(A) If any person fails to file any return required by this subtitle within the time required, the Comptroller may impose a penalty of not exceeding [10%] 10 PERCENT of the tax found to be due, to be assessed and collected in the manner provided for the assessment and collection of taxes under this subtitle or in a civil action at the instance of the Comptroller; and in addition such delinquent may be compelled to make such return. Any officer of any corporation or any other person who makes a fraudulent return or statement with intent to defeat or evade the payment of the taxes prescribed by this subtitle shall be deemed guilty of perjury and punished accordingly, and shall in addition thereto pay [the same penalty as in this section provided for failure to file returns on time.] AN AMOUNT EQUAL TO 50 PERCENT OF THE UNDER PAYMENT OF TAXES.

(B) Any person acting in a representative capacity as agent, tax expert or advisor to or for an individual or taxpayer required to file a return or report under this subtitle and receiving therefor a fee, charge or other remuneration who, knowingly or willfully prepares, causes to be prepared or assists in the preparation of an incorrect, false, or fraudulent return or report with the intent to defeat or evade the payment in whole or in part of the correct tax liability of such individual or taxpayer due under this subtitle or who knowingly or wilfully prepares, causes to be prepared or assists in the preparation of an incorrect, false, or fraudulent