

## Revenue and Taxes - Employer's Bond

FOR the purpose of authorizing the Comptroller to require the filing of a bond by ~~an employer~~ out-of-State employers in order to protect the revenue to be obtained under the withholding tax provisions; specifying the nature of the bond; requiring written notice by the Comptroller that a bond is required; providing for a hearing at the request of an out-of-State employer; and generally relating to the filing of a bond by out-of-State employers in certain cases under the withholding tax law.

BY adding to

Article 81 - Revenue and Taxes  
 Section 312(p)  
 Annotated Code of Maryland  
 (1975 Replacement Volume and 1976 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 312(p) be and it is hereby added to Article 81 - Revenue and Taxes, of the Annotated Code of Maryland (1975 Replacement Volume and 1976 Supplement) to read as follows:

## Article 81 - Revenue and Taxes

312.

(P) IN ORDER TO PROTECT THE REVENUE TO BE OBTAINED UNDER THE WITHHOLDING TAX PROVISIONS OF THIS SUBTITLE, THE COMPTROLLER, OR HIS AUTHORIZED AGENT, MAY REQUIRE AN OUT-OF-STATE EMPLOYER TO FILE A BOND TO SECURE THE PAYMENT OF ANY TAX OR PENALTY DUE OR WHICH MAY BECOME DUE FROM THE EMPLOYER. THE BOND SHALL BE ISSUED BY A SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THIS STATE AND APPROVED BY THE STATE INSURANCE COMMISSIONER AS TO SOLVENCY AND RESPONSIBILITY. THE AMOUNT OF THE BOND SHALL BE DETERMINED BY THE COMPTROLLER OR HIS AUTHORIZED AGENT. WRITTEN NOTICE SHALL BE GIVEN TO THE EMPLOYER THAT A BOND IS REQUIRED, AND THE NOTICE SHALL SPECIFY THE AMOUNT OF THE BOND. WITHIN FIVE DAYS AFTER NOTICE IS GIVEN BY THE COMPTROLLER OR HIS AGENT, THE EMPLOYER SHALL FILE THE BOND WITH THE COMPTROLLER'S OFFICE, UNLESS THE EMPLOYER, WITHIN FIVE DAYS AFTER NOTICE IS GIVEN, REQUESTS A HEARING BEFORE THE COMPTROLLER. THE EMPLOYER'S REQUEST SHALL BE IN WRITING. AT THE HEARING BEFORE THE COMPTROLLER OR HIS AGENT, THE NECESSITY, PROPRIETY, AND AMOUNT OF THE BOND SHALL BE DETERMINED. THE COMPTROLLER'S DETERMINATION IS FINAL, AND THE EMPLOYER SHALL COMPLY WITHIN 15 DAYS AFTER WRITTEN NOTICE OF THE DETERMINATION IS GIVEN.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1977.