

FOR the purpose of authorizing certain employers to deposit cash or negotiable bonds with the Comptroller in lieu of the surety bond which may be required to be filed in certain cases by the Comptroller; providing a limit upon the aggregate liability of a surety who issues a bond; and requiring the cash deposit or market value of the negotiable bonds to be not less than the required sum of a surety bond otherwise required.

BY repealing and reenacting, with amendments,

Article 81 - Revenue and Taxes  
Section 312(p)  
Annotated Code of Maryland  
(1975 Replacement Volume and 1977 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 81 - Revenue and Taxes

312.

(p) (1) 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.

(2) THE AGGREGATE LIABILITY OF THE SURETY MAY NOT EXCEED THE PENAL SUM OF THIS BOND.

(3) NEGOTIABLE BONDS OF THE UNITED STATES OR A CASH DEPOSIT MAY BE FILED IN LIEU OF A SURETY BOND REQUIRED BY THIS SECTION. THE MARKET VALUE OF THE BONDS OR THE CASH DEPOSIT MAY NOT BE LESS THAN THE REQUIRED SUM OF THE SURETY BOND.