

Surplus Line Insurance Premium Tax Penalties - Clarification

FOR the purpose of clarifying the intent of the General Assembly regarding Chapter 710 of the Acts of 1982, an enactment, in pertinent part, that required surplus line insurance brokers to pay premium taxes on a semiannual basis and that provided for penalties on surplus line insurance taxes not paid when due, and related generally to surplus line insurance premium taxes; providing that the penalty and interest provisions of § 140 of Article 48A of the Annotated Code of Maryland apply with respect to all ~~notices-of-assessment--mailed~~ penalties which become final on or after a certain date; and ~~making this Act an emergency measure~~ generally relating to Surplus Line Insurance Premium Tax Penalties.

BY repealing and reenacting, without amendments,

Article 48A - Insurance Code
Section 194 and 195
Annotated Code of Maryland
(1979 Replacement Volume and 1982 Supplement)

Preamble

WHEREAS, Chapter 710 of the Acts of 1982 established a comprehensive, revised law for the collection and payment of surplus line insurance premium taxes, including a revised method of calculation for penalties on surplus line insurance premium taxes not paid when due; and

WHEREAS, The revised method of calculation for penalties on surplus line insurance premium taxes not paid when due was intended to make more equitable and fair the method of calculation for penalties than that provided in the repealed law and to make the method of calculations for penalties of the revised law consistent with the provisions outlining penalties in Article 81, §§ 140 through 143A, inclusive, of the Code concerning other insurance premium taxes; and

WHEREAS, A question has arisen as to the applicability of the revised method of calculation for penalties on surplus line insurance premium taxes not paid when due, on or after July 1, 1982, by final order by the Insurance Commissioner or otherwise; and

WHEREAS, It was the intent of the General Assembly that the revised method of calculation for penalties on surplus line insurance premium taxes not paid when due be applicable to all ~~penalties for which--notices--of--assessment--were--mailed~~ which become final on or after July 1, 1982; now, therefore,

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