

Approved May 15, 1984.

-----  
CHAPTER 387

(House Bill 108)

AN ACT concerning

Income Tax - Penalty

FOR the purpose of providing for a penalty to be imposed against an individual who files a return which does not contain certain information or contains information that indicates on its face that the tax reported is substantially incorrect, and which conduct is due to a position which is frivolous or a desire to delay or impede the administration of the Maryland income tax laws; providing for the interpretation of this Act in applying certain penalties; defining a certain term; and providing a procedure for appealing the penalty.

BY repealing and reenacting, with amendments,

Article 81 - Revenue and Taxes  
Section 318  
Annotated Code of Maryland  
(1980 Replacement Volume and 1983 Supplement)

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

Article 81 - Revenue and Taxes

318.

(A) If any tax imposed by this subtitle is not paid when due, the taxpayer who is liable for its payment shall pay an additional tax as a penalty. The penalty may not exceed 10 percent of the tax due, plus interest at the rate determined under § 204 of this article for each month the tax remains unpaid. No interest may be assessed on the tax which is due as a penalty.

(B) IN ADDITION TO THE PENALTY PROVIDED FOR IN PARAGRAPH (A) ABOVE, IF:

(1) ANY INDIVIDUAL FILES WHAT PURPORTS TO BE A RETURN OF THE TAX IMPOSED UNDER THIS SUBTITLE BUT WHICH

(I) DOES NOT CONTAIN INFORMATION ON WHICH THE SUBSTANTIAL CORRECTNESS OF THE TAX MAY BE JUDGED, OR