

(II) CONTAINS INFORMATION THAT ON ITS FACE INDICATES THAT THE TAX REPORTED IS SUBSTANTIALLY INCORRECT; AND

(2) THE CONDUCT REFERRED TO IN PARAGRAPH (1) IS DUE TO

(I) A POSITION WHICH IS FRIVOLOUS, OR

(II) A DESIRE (WHICH APPEARS ON THE PURPORTED RETURN) TO DELAY OR IMPEDE THE ADMINISTRATION OF MARYLAND INCOME TAX LAWS,

THEN SUCH INDIVIDUAL SHALL PAY A PENALTY AS DETERMINED BY THE COMPTROLLER, BUT NOT TO EXCEED \$500.

(C) FOR PURPOSES OF SUBSECTION (B)(2) OF THIS SECTION, THE TERM "FRIVOLOUS" MEANS HAVING NO BASIS IN LAW OR FACT AND APPLIES ONLY TO RETURNS SETTING FORTH POSITIONS WHICH ARE PATENTLY UNLAWFUL AND NOT TO THOSE SETTING FORTH VALID DISPUTES OR CONTAINING PURELY INADVERTENT MATHEMATICAL OR CLERICAL ERRORS.

(C) IN DETERMINING WHETHER TO IMPOSE THE PENALTY PROVIDED FOR IN SUBSECTION (B) OF THIS SECTION, THE COMPTROLLER SHALL, AS FAR AS PRACTICABLE, APPLY THE ADMINISTRATIVE AND JUDICIAL INTERPRETATIONS OF THE FEDERAL INCOME TAX LAW.

(D) IF THE INDIVIDUAL IS DISSATISFIED WITH THE PENALTY, THE INDIVIDUAL MAY APPEAL TO THE MARYLAND TAX COURT WITHIN 30 DAYS FROM THE DATE OF NOTICE OF THE IMPOSITION OF THE PENALTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1984.

Approved May 15, 1984.

CHAPTER 388

(House Bill 109)

AN ACT concerning

Comptroller of the Treasury - Secrecy of Returns

FOR the purpose of permitting the disclosure of certain taxpayer identity information in certain circumstances and defining a term.

BY repealing and reenacting, with amendments,

Article 81 - Revenue and Taxes