

Defined terms: "Admissions and amusement tax" § 1-101
 "Governmental unit" § 13-101
 "Motor fuel tax" § 1-101 "Person" § 1-101
 "Sales and use tax" § 1-101

13-705. FRIVOLOUS INCOME TAX RETURN.

(A) PENALTY.

THE COMPTROLLER SHALL ASSESS A PENALTY NOT EXCEEDING \$500 IF:

(1) AN INDIVIDUAL, AS DEFINED UNDER § 10-101 OF THIS ARTICLE, FILES WHAT PURPORTS TO BE AN INCOME TAX RETURN, BUT WHICH:

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

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

(2) THE CONDUCT OF THE INDIVIDUAL IS DUE TO:

(I) A DESIRE, APPARENT ON THE FACE OF THE RETURN, TO DELAY OR IMPEDE THE ADMINISTRATION OF THE PROVISIONS OF TITLE 10; OR

(II) A POSITION THAT IS FRIVOLOUS BECAUSE THE POSITION:

1. HAS NO BASIS IN LAW OR FACT;

2. IS PATENTLY UNLAWFUL; AND

3. DOES NOT INVOLVE A LEGITIMATE DISPUTE OR REFLECT AN INADVERTENT MATHEMATICAL OR CLERICAL ERROR.

(B) ADDITIONAL TO OTHER PENALTY.

THE PENALTY UNDER SUBSECTION (A) OF THIS SECTION IS IN ADDITION TO ANY PENALTY ASSESSED UNDER § 13-701 OF THIS SUBTITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 318(b) and (c).

Former Art. 81, § 318(d), which required the Comptroller to apply the administrative and judicial interpretations of the federal income tax law to the penalty under this section, is deleted as unnecessary in light of a similar provision in § 10-107 of this article.