

(1) IF A CLAIM FOR REFUND IS ALLOWED, THE TAX COLLECTOR SHALL PAY INTEREST ON THE REFUND AT THE RATE SET UNDER § 13-604(A) OF THE TAX - GENERAL ARTICLE FROM THE DATE ON WHICH THE TAX, INTEREST, OR PENALTY WAS PAID TO THE DATE THE REFUND IS PAID.

(2) A TAX COLLECTOR MAY NOT PAY INTEREST ON A REFUND IF THE CLAIM FOR REFUND IS BASED ON AN ERROR OR MISTAKE OF THE CLAIMANT NOT ATTRIBUTABLE TO THE COUNTY OR MUNICIPAL CORPORATION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 219, the first and second sentences of § 218, and the first clause of the second sentence of § 216, as they related to the payment of refunds by counties and municipal corporations.

In subsection (b)(1) of this section, the reference to money that a county or municipal corporation "designates for the refund payment" is added to reflect the discretion of a county and municipal corporation to specify funds for refund payments. Similarly, in subsection (b)(2) of this section, the reference to "money of the county or municipal corporation" is added to clarify that, absent a specific designation, a tax collector pays the refund from any county or municipal money "in the hands of the tax collector", *i.e.*, county or municipal corporation revenue collections.

In subsection (c)(1) of this section, the former phrase "in whole or in part" is deleted as surplusage.

Also in subsection (c)(1) of this section, the former reference to refunds "now pending or subsequently filed pursuant to this section" is deleted as surplusage.

The Tax - General Article Review Committee notes, for the consideration of the General Assembly, that the interest rate paid on refunds under this section is the same as the rate for State taxes under the Tax - General Article and the property taxes under the Tax - Property Article. Ch. 736, Acts of 1987, which amended former Art. 81, §§ 204 and 218, changed the interest rate on refunds from 6% to an annually determined rate based on 2 percentage points more than the annual investment yield for State money in the previous State fiscal year. Therefore, counties imposing, *e.g.*, the hotel rental tax, assess interest at 1% or 0.5% for unpaid tax and currently pay 8.5% for erroneous payments.

For similar provisions, see TG §§ 13-603 and 13-905.