

be considered to be managing the business and affairs of the entity solely because they are engaged in certain activities; providing that an assessment of the vessel excise tax is prima facie correct; and generally relating to the imposition of liability for the vessel excise tax on certain officers, members, and individuals of certain business entities.

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 8-716.1

Annotated Code of Maryland

(2000 Replacement Volume and 2002 Supplement)

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

Article – Natural Resources

8-716.1.

(a) The dealer shall collect the excise tax for the Department. For collecting and remitting the tax, a dealer may keep 1.2% of the gross tax the dealer collects. A dealer may not keep 1.2% of any gross tax amounts which were not forwarded to the Department within 30 days of collection, unless a waiver has been approved by the Secretary.

(b) If the Department finds that a dealer has forwarded less than the amount of tax due and does not have adequate records or has incorrect records of sales or resales of new or used vessels and that the amount of excise tax collected for the Department on these sales cannot be determined accurately, the Department shall determine the taxable sales of the dealer for any period involved and compute the tax from the best information available. The computation shall be prima facie correct. However, if any dealer fails to keep any record of sales of vessels, the Department may determine the tax due to the Department by using a factor developed by surveying the business of the dealer, including any records available, or by surveying other taxpayers of the same type or otherwise compute the amount of tax due. This computation shall be prima facie correct.

(c) As provided in subsection (b) of this section, if the Department determines the taxable sales and computes the tax due, the Department shall levy against the dealer a deficiency assessment consisting of a penalty of 10%, plus interest at a rate of 1.5% per month, or fraction of a month, from the time the tax was due until paid. All amounts received from any dealer under this subsection shall be credited first to penalty and interest accrued and then to tax due.

(d) (1) If a person obligated to pay the tax fails to pay the tax when due, there shall be assessed against the person, in addition to the tax due, a penalty of 10% plus interest at the rate of 1.5% per month or fraction of a month from the time the tax was due until paid. This penalty and interest may be waived by the Secretary if, within 30 days from the date of mailing of the notice of assessment, the taxpayer files