

HOUSE BILL 1058

Q7, Q3

0lr2706

By: **Delegate Kipke**

Introduced and read first time: February 6, 2020

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Office of the Comptroller – Tax Enforcement – Determination of Residency**

3 FOR the purpose of prohibiting the Comptroller from considering or investigating certain
4 charitable contributions of a taxpayer when making certain residency
5 determinations; and generally relating to tax administration and enforcement.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 13–302
9 Annotated Code of Maryland
10 (2016 Replacement Volume and 2019 Supplement)

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

13 **Article – Tax – General**

14 13–302.

15 (a) **(1)** To determine whether a tax return is correct or otherwise to enforce a
16 provision of this article, a tax collector may:

17 **[(1)] (I) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
18 **SUBSECTION**, examine any records or other data that may be relevant or material to the
19 matters required to be included in a tax return;

20 **[(2)] (II)** conduct an investigation;

21 **[(3)] (III)** hold a hearing;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 [(4)] (IV) administer oaths;
- 2 [(5)] (V) take testimony and other evidence; and
- 3 [(6)] (VI) subpoena:
- 4 [(i)] 1. any person; or
- 5 [(ii)] 2. any relevant document.

6 **(2) THE COMPTROLLER MAY NOT CONSIDER OR INVESTIGATE A**
7 **TAXPAYER'S CHARITABLE CONTRIBUTIONS IN THE STATE WHEN DETERMINING THE**
8 **RESIDENCY OF THE TAXPAYER FOR INCOME TAX PURPOSES.**

9 (b) If the Comptroller determines that the taxpayer's records are so detailed,
10 complex, or voluminous that an audit of all detailed records would be unreasonable or
11 impractical, the Comptroller may compute the sales and use tax by using scientific random
12 sampling techniques.

13 (c) If a person fails to comply with a subpoena or fails to testify on any matter on
14 which the person lawfully may be interrogated, on petition of a tax collector, a circuit court
15 or, if the subpoena is issued under authority of an orphans' court, the orphans' court may
16 pass an order directing compliance with the subpoena or compelling testimony.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2020.