

# Tax Amnesty Offers Relief for Maryland Taxpayers!

By Wayne Eig

As April 15 – Tax Day – approached, many people scrambled to meet the April 15 filing deadline, oftentimes dreading the anticipated tax hit. In fact, some people believe that the weeks leading up to Tax Day are some of the most stressful financial times for families. This year, however, the Maryland General Assembly spent those weeks expressing sympathy for overburdened taxpayers and setting in motion plans to make life easier for them. Just one day before Tax Day, it appeared those efforts paid off.

On April 14, 2015, Maryland Governor, Larry Hogan, approved Senate Bill 0763 (Chapter 50) requiring the Comptroller to declare an amnesty period for delinquent taxpayers from September 1, 2015, through October 30, 2015, for civil penalties and half the interest attributable to nonpayment, nonreporting, or underreporting of specified taxes under specified circumstances. With Maryland charging interest at an annual rate of 13 percent, this relief could be very substantial. The tax amnesty program will be offered for taxes that were delinquent as of December 31, 2014.

More particularly, taxes and partial interest will have to be paid by October 30, 2015, although the legislation gives the state comptroller discretion to grant a longer payment period of until December 31, 2016, for taxpayers who agree to a payment schedule. For those taxpayers, however, any amounts still owed after October 30, 2015 will not be eligible for the reduced interest charges.

Amnesty will be allowed for the nonpayment, nonreporting, and underreporting of Maryland's individual and corporate income taxes, withholding tax, sales and use tax, and admissions and amusement tax and would also protect taxpayers from being charged with a criminal tax offense arising out of any return filed or tax paid under the program, unless such criminal charges already were pending in state court or were under investigation by state officials.

Taxpayers aren't eligible if they participated in Maryland's earlier amnesty programs between calendar year 1999 and 2014.

Paley Rothman's tax attorneys have been closely monitoring this legislation as well as other pending tax-related legislation, preparing to coordinate closely with our clients, their accountants and other professional advisors to consider the practical implications of these legislative proposals and enactments. Tax concerns, however, are often complex and highly specific, and in all events best addressed on a case by case basis. We invite you to check back on our site for additional information on the tax amnesty program or to call us if you have questions about qualification.