

# SENATE BILL 369

Q3

2lr0540  
CF HB 252

---

By: **Senator King**

Introduced and read first time: January 21, 2022

Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Return Preparation Assistance Program for Low–Income Families**

3 FOR the purpose of establishing the Income Tax Return Preparation Assistance Program  
4 for Low–Income Families; requiring the Comptroller, for certain taxable years, to  
5 prepare, as a part of the Program, certain income tax returns and amended income  
6 tax returns for certain eligible taxpayers; requiring the Comptroller to provide  
7 certain notice to eligible taxpayers concerning the Program; prohibiting a tax  
8 collector from assessing a certain penalty under certain circumstances; and generally  
9 relating to the Income Tax Return Preparation Assistance Program for Low–Income  
10 Families.

11 BY adding to  
12 Article – Tax – General  
13 Section 2–116  
14 Annotated Code of Maryland  
15 (2016 Replacement Volume and 2021 Supplement)

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

18 **Article – Tax – General**  
19 **2–116.**

20 (A) IN THIS SECTION, “PROGRAM” MEANS THE INCOME TAX RETURN  
21 PREPARATION ASSISTANCE PROGRAM FOR LOW–INCOME FAMILIES.

22 (B) (1) THERE IS AN INCOME TAX RETURN PREPARATION ASSISTANCE  
23 PROGRAM FOR LOW–INCOME FAMILIES.

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(2) THE PURPOSE OF THE PROGRAM IS TO:**

2                   **(I) PROVIDE ELIGIBLE TAXPAYERS PREPARED INCOME TAX**  
3 **RETURNS AND AMENDED INCOME TAX RETURNS BY USING DATA ALREADY**  
4 **COLLECTED BY THE COMPTROLLER FROM REPORTS FROM EMPLOYERS AND OTHER**  
5 **SOURCES; AND**

6                   **(II) ESTABLISH AN OPTIONAL FILING METHOD BY WHICH**  
7 **ELIGIBLE TAXPAYERS MAY SUBMIT THOSE RETURNS.**

8           **(3) THE COMPTROLLER SHALL ADMINISTER THE PROGRAM.**

9           **(c) (1) THIS SUBSECTION APPLIES TO A TAXABLE YEAR BEGINNING**  
10 **AFTER DECEMBER 31, 2024.**

11                   **(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE**  
12 **COMPTROLLER SHALL PREPARE, AS PART OF THE PROGRAM:**

13                   **(I) A TAX RETURN FOR ANY TAXPAYER:**

14                           **1. WHO IS A MARYLAND RESIDENT;**

15                           **2. WHO FAILED TO FILE A MARYLAND TAX RETURN FOR**  
16 **THE MOST RECENT TAXABLE YEAR FOR WHICH DATA IS AVAILABLE;**

17                           **3. WHOSE WAGES WERE REPORTED BY THE TAXPAYER'S**  
18 **EMPLOYER TO THE COMPTROLLER FOR THAT TAXABLE YEAR; AND**

19                           **4. WHO THE COMPTROLLER BELIEVES MAY BE ELIGIBLE**  
20 **TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE FOR THAT TAXABLE YEAR;**  
21 **AND**

22                   **(II) AN AMENDED RETURN FOR ANY TAXPAYER WHO IS A**  
23 **MARYLAND RESIDENT AND WHO THE COMPTROLLER BELIEVES MAY HAVE BEEN**  
24 **ELIGIBLE TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE FOR THE**  
25 **CURRENT TAXABLE YEAR OR ANY OF THE 3 IMMEDIATELY PRECEDING TAXABLE**  
26 **YEARS BUT FAILED TO CLAIM THE CREDIT ON THE TAXPAYER'S RETURN.**

27           **(3) THE COMPTROLLER SHALL USE DATA FROM WAGES REPORTED**  
28 **BY THE TAXPAYER'S EMPLOYER TO THE COMPTROLLER AND OTHER SOURCES TO**  
29 **PREPARE THE RETURN IN ACCORDANCE WITH PARAGRAPH (2)(I) OF THIS**  
30 **SUBSECTION.**

1           **(D) IN PREPARING A RETURN IN ACCORDANCE WITH SUBSECTION (C)(2)(1)**  
2 **OF THIS SECTION, THE COMPTROLLER SHALL PREPARE THE RETURN AS THOUGH**  
3 **THE TAXPAYER ELECTED TO USE THE STANDARD DEDUCTION UNDER § 10-217 OF**  
4 **THIS ARTICLE TO COMPUTE MARYLAND TAXABLE INCOME.**

5           **(E) THE COMPTROLLER SHALL DEVELOP AN ALTERNATIVE METHOD FOR**  
6 **AN ELIGIBLE TAXPAYER TO REQUEST THE TAXPAYER'S COMPLETED TAX RETURN IN**  
7 **PAPER FORM.**

8           **(F) (1) THE COMPTROLLER SHALL NOTIFY EACH TAXPAYER WHO IS**  
9 **ELIGIBLE FOR A TAX RETURN OR AN AMENDED RETURN UNDER THIS SECTION THAT**  
10 **THE PROGRAM IS A FILING OPTION AVAILABLE TO ELIGIBLE TAXPAYERS.**

11           **(2) THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS**  
12 **SUBSECTION SHALL INCLUDE:**

13                   **(I) A DESCRIPTION OF THE PROGRAM;**

14                   **(II) AN EXPLANATION OF THE TAXPAYER'S ELIGIBILITY FOR**  
15 **PARTICIPATION IN THE PROGRAM AND THE TAXPAYER'S ABILITY TO VIEW OR FILE A**  
16 **TAX RETURN PREPARED FOR THE TAXPAYER UNDER THE PROGRAM; AND**

17                   **(III) AN EXPLANATION THAT THE TAXPAYER'S PARTICIPATION IN**  
18 **THE PROGRAM IS OPTIONAL BUT SUBJECT TO THE LIMITATION UNDER SUBSECTION**  
19 **(D) OF THIS SECTION.**

20           **(G) IF A TAXPAYER TIMELY FILES A RETURN PREPARED IN ACCORDANCE**  
21 **WITH THIS SECTION, A TAX COLLECTOR MAY NOT ASSESS A PENALTY UNDER §**  
22 **13-701 OF THIS ARTICLE WITH RESPECT TO ANY UNPAID TAX.**

23           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2022.