

*Maryland Income Tax*  
**ADMINISTRATIVE RELEASE**

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Administrative Release No. 14

Subject: Interest Rates for Refunds and Delinquent Taxes

**I. General**

Section 13-603 of the Tax-General Article, Annotated Code of Maryland, provides (under certain conditions) for the payment of interest on tax refunds.

Section 13-601 of the Tax-General Article, Annotated Code of Maryland, requires the Comptroller to assess interest on any unpaid tax from the due date to the date on which the tax is paid.

**II. Payment of Interest**

Subsection (a) of Section 13-603 provides (with exceptions) that interest shall be paid on a claim for refund from the 45th day after the claim is filed to the date the refund is paid if the claimant:

- Erroneously paid to the State a greater amount of tax, interest, or penalty than was properly and legally payable; or
- Paid to the State a tax, interest, or penalty that was erroneously, illegally, or wrongfully assessed or collected in any manner.

**III. Exceptions to Payment of Interest**

Subsection (b) of Section 13-603 provides that interest will not be paid on a claim for refund if the claim is:

- A. Made under any provision other than subsection (a) of Section 13-603 as described in II above; or
- B. Based on:

1. An error or mistake of the claimant not attributable to the State;
2. Withholding of income tax; or
3. Overpayment of estimated income tax.

**IV. Specific Claim for Interest**

- A. A specific claim for the payment of interest is not required when:
  1. An amended return is filed and the refund of taxes is based upon a net operating loss carryback; or
  2. The refund results from a final court order where the taxpayer prevailed.
- B. In all other instances, the taxpayer must make a specific claim for interest.

**V. Interest Rates**

Section 13-604 of the Tax-General Article, Annotated Code of Maryland, requires the Comptroller, on or before October 1 of each year, to determine the annual interest rate for the next calendar year for refunds and delinquencies. The following is a history of the interest rates for refunds and delinquencies over a ten-year period.

Annual Interest Rate		
Calendar Year	Refunds	Unpaid Tax
2011	13%	13%
2012	13%	13%
2013	13%	13%

2014	13%	13%
2015	13%	13%
2016	13%	13%
2017	12%	12%
2018	11.5%	11.5%
2019	11%	11%
2020	10.5%	10.5%