

Maryland Tax Whistleblower Reward Program

Added by Acts 2021, c. 515, eff. Oct. 1, 2021.

MD Code, Tax - General, § 1-401 et seq.

§ 1-401. Definitions

(a) In this subtitle the following words have the meanings indicated.

(b) “Covered enforcement action” means an enforcement action brought by the Comptroller under this article that concerns:

(1)(i) the State and county income tax liability of an individual taxpayer or a couple that is married and files jointly whose federal adjusted gross income is at least \$250,000; or

(ii) the State and county tax liability of a business, including those persons who are jointly and severally liable for the State tax liability of a business under this article, the annual gross receipts or sales of which are at least \$2,000,000; and

(2) taxes in dispute exceeding \$250,000.

(c) “Original information” means information that:

(1) is derived from the independent knowledge or analysis of a whistleblower;

(2) is not known to the Comptroller from any other source, unless the whistleblower is the original source of the information;

(3) is not exclusively derived from an allegation made in a judicial or administrative proceeding, hearing, trial, or other proceeding (including a hearing or trial conducted by any other governmental body or a hearing or a trial conducted by any other entity, whether or not governmental, established by law) in which the claimant or potential claimant participated, and which was the basis of the claim.

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- (i) the decision to conduct or the method of conducting an investigation arising from the original information provided by the whistleblower;
- (ii) the amount of any unpaid taxes, penalties, or interest due to the State arising from the original information provided by the whistleblower;
- (iii) the result of a covered enforcement action or related action arising from the original information provided by the whistleblower; or
- (iv) any settlement between the State and a person having a tax liability that arises from the original information provided by the whistleblower.

§ 1-404. Contract; counsel; notice; disclosure of information

(a) A contract with the Comptroller, the Office of the Attorney General, or any other agency may not be required in order for a whistleblower to receive an award under this subtitle.

(b)(1) A whistleblower who makes a claim for an award under this subtitle may be represented by counsel.

(2)(i) A whistleblower who anonymously makes a claim for an award under this

(c) Within 15 days after receiving original information provided by a whistleblower, the Comptroller shall provide written notice to the whistleblower or, if the whistleblower is represented by counsel, the whistleblower's attorney that:

(1) acknowledges that the original information has been received by the Comptroller; and

(2) indicates the name of the individual in the Comptroller's Office who shall serve as a contact with the whistleblower.

(d)(1) Information that could reasonably be expected to reveal the identity of the whistleblower is not subject to disclosure under the Public Information Act.

(2) Except as provided in paragraph (3) of this subsection, the Comptroller may not disclose any information that could reasonably be expected to reveal the identity of the whistleblower unless that information is required to be disclosed to a party in connection with an action or proceeding brought by the Comptroller or otherwise by court order.

(3)(i) Subject to subparagraph (ii) of this paragraph, as determined by the Comptroller to be necessary to accomplish the purposes of this article, information that could be expected to reveal the identity of a whistleblower may be made available to appropriate regulatory and law enforcement authorities of this State, another state, the federal government, a foreign government, or self-regulatory organizations.

(ii) An authority to which the Comptroller makes information available in accordance with subparagraph (i) of this paragraph shall agree to maintain that information in accordance with any assurances of confidentiality that the Comptroller deems appropriate.

§ 1-405. Retaliation

(a) A current or prospective employer, contractor, or agent may not discharge,

demote, suspend, threaten, or harass, directly or indirectly, or in any other manner discriminate or retaliate against an individual in the terms and conditions of employment because of a lawful act done by that individual:

(1) in providing information to the Comptroller or a law enforcement agency concerning a possible violation of State tax law, including a rule or regulation, that has occurred, is ongoing, or is about to occur;

(2) in initiating, testifying in, or assisting in an investigation or judicial or administrative action of the Comptroller or law enforcement agency or a related action;

(3) in reporting a violation of this title to another governmental entity or to a director, supervisor, or compliance officer of the employer, contractor, or agent; or

(4) in refusing or declining any agreement that would provide for arbitration of claims arising under this article.

(b)(1) An individual who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated or retaliated against in the terms and conditions of employment or is otherwise harmed or penalized by an employer or a prospective employer in violation of subsection (a) of this section shall be entitled to all relief necessary to make the individual whole, including:

(i) an injunction to restrain continued discrimination;

(ii) hiring, contracting, or reinstatement to the position that the individual would have had but for the discrimination or to an equivalent position;

(iii) reinstatement of full fringe benefits and seniority rights;

(iv) compensation for lost wages, benefits, and other remuneration, plus

interest;

(v) removal of any adverse personnel record entries based on or related to the violation; and

(vi) compensation for any special damages sustained as a result of the

Comptroller, Attorney General, State agencies, or local governments to investigate or enforce possible violations of this article;

(3) authorize a private right of action involving a violation of this article, except as specifically authorized in this article;

(4) prevent or prohibit a person from voluntarily disclosing any information concerning a violation of this article to any law enforcement agency or self-

§ 1-408. Regulations

The Comptroller shall adopt regulations to implement this subtitle, including regulations establishing procedures for the submission of original information by whistleblowers and protocols governing the determination of awards in accordance