

LEADVILLE INSURANCE COMPANY

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V.

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M.T.C. No. 13-IN-00-0035

COMPTROLLER OF THE TREASURY

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**MEMORANDUM AND ORDER**

This case is before the Maryland Tax Court on Petitioner’s Motion for Summary Judgment. Petitioner appeals the assessment of corporate income taxes of \$23,831,054.34, including interest and penalties, for the tax years 1997 through 2004.

Petitioner argues that the assessment should be reversed because it is a Vermont licensed insurance company engaged in the insurance business and was exempt from the tax pursuant to Tax-General Article section 10-104(4). That section provides that Maryland corporate tax does not apply to the income of a person subject to taxation under Title 6 of the Insurance Article. Article 6 identifies those “persons....subject to taxation” to include “a person engaged as a principle in the business of writing insurance contracts, surety contracts, guaranty contracts, or annuity contracts.”

Respondent disputes the statutory basis of the Petitioner’s argument and contends that, if the Petitioner is subject to taxation, the statutory basis is found in Title 4 of the Insurance Article.

This case concerns an issue already addressed by this court in *National Indemnity v. Comptroller of the Treasury*. In *National Indemnity*, this Court held that the plain language of the statute at issue, the respondent’s own regulations and

other published guidance provided that insurance companies similar to the petitioner were not subject to Maryland income tax.

The Court sees no reason to distinguish this case from *National Indemnity* and will rely on the analysis therein. Hence, the Court finds that the Respondent's assessment of corporate income tax, penalty, and interest was contrary to Maryland law and, therefore, in error.

For the above reasons, it is this 30<sup>th</sup> day of MARCH 2017, by the Maryland Tax Court, ORDERED that the Petitioner's Motion for Summary Judgment is hereby granted.

CC: Herman B. Rosenthal, Esq.  
Scott L. Brandman, Esq.  
Schnotte J. Walker, Esq.

**CERTIFIED TRUE COPY**  
TEST: John T. Hearn, Clerk

**NOTICE:** You have the right of appeal from the above Order to the Circuit Court of any County or Baltimore City, wherein the property or subject of the assessment may be situated. The Petition for Judicial Review **MUST** be filed in the proper Court within thirty (30) days from the date of the above Order of the Maryland Tax Court. Please refer to Rule 7-200 et seq. of the Maryland Rules of Court, which can be found in most public libraries.