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**By: Chairman, Ways and Means Committee (Departmental - Comptroller)**

Introduced and read first time: January 15, 1997

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: February 4, 1997

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Income Tax - Returns on Withholding - Filing Requirements**

3 FOR the purpose of requiring certain persons to file and remit income tax withholdings  
4 on an annual return by a certain date instead of on quarterly income tax returns;  
5 increasing the threshold amount for the requirement of monthly income tax  
6 withholding filings; clarifying that certain income tax withholding returns must be  
7 filed on a monthly basis; and providing for the application of this Act.

8 BY repealing and reenacting, with amendments,  
9 Article - Tax - General  
10 Section 10-822  
11 Annotated Code of Maryland  
12 (1988 Volume and 1996 Supplement)

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

15 **Article - Tax - General**

16 10-822.

17 (a) (1) [Each] EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS  
18 SUBSECTION, EACH person required under § 10-906 of this title to withhold income tax  
19 shall complete and file with the Comptroller[:

20 (1)] a quarterly income tax withholding return, on or before the last day of  
21 the month that follows the calendar quarter in which that income tax was withheld[; or].

22 (2) [if] IF the person reasonably expects the total amount of income tax  
23 required to be withheld in a quarterly period to be [\$400] \$700 or more, INSTEAD OF A

2  
1 QUARTERLY INCOME TAX WITHHOLDING RETURN THE PERSON SHALL COMPLETE  
2 AND FILE WITH THE COMPTROLLER a monthly income tax withholding return:

- 3 (i) for the month of January, on or before February 15;
- 4 (ii) for the month of February, on or before March 15;
- 5 (iii) for the month of March, on or before April 30;
- 6 (iv) for the month of April, on or before May 15;
- 7 (v) for the month of May, on or before June 15;
- 8 (vi) for the month of June, on or before July 31;
- 9 (vii) for the month of July, on or before August 15;
- 10 (viii) for the month of August, on or before September 15;
- 11 (ix) for the month of September, on or before October 31;
- 12 (x) for the month of October, on or before November 15;
- 13 (xi) for the month of November, on or before December 15; and
- 14 (xii) for the month of December, on or before January 31.

15 (3) IF THE PERSON REASONABLY EXPECTS THE TOTAL AMOUNT OF  
16 INCOME TAX REQUIRED TO BE WITHHELD IN A CALENDAR YEAR TO BE LESS THAN  
17 \$250 INSTEAD OF A QUARTERLY INCOME TAX WITHHOLDING RETURN THE PERSON  
18 SHALL COMPLETE AND FILE WITH THE COMPTROLLER AN ANNUAL INCOME TAX  
19 WITHHOLDING RETURN ON OR BEFORE JANUARY 31 THAT FOLLOWS THAT  
20 CALENDAR YEAR.

21 (b) A person required to file a quarterly or monthly income tax withholding return  
22 shall continue to file returns, whether or not the person is withholding any income tax,  
23 until the person gives the Comptroller written notice that the person no longer has  
24 employees or no longer is liable to file the return.

25 (c) A person who files a written request to change to a quarterly return filing  
26 because the person withholds less than [\$400] \$700 each quarter may be allowed to  
27 change to a quarterly basis at the beginning of the calendar year after the request.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 1997 and shall be applicable to all calendar years beginning after December  
30 31, 1997.

