

SENATE BILL 103

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2002 Regular Session
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(PRE-FILED)

By: **Chairman, Budget and Taxation Committee (Departmental -
Comptroller)**

Requested: October 26, 2001

Introduced and read first time: January 9, 2002

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: January 15, 2002

CHAPTER 125

1 AN ACT concerning

2 **Income Tax - Wage Lien - Excluded Amounts**

3 FOR the purpose of altering the amount of salary, wages, or other compensation

4 excluded from the wage lien for income tax; providing that the amount excluded

5 from the wage lien for income tax is the amount exempt under a provision of law

6 exempting certain wages from attachment; and generally relating to the

7 exclusion of salary, wages, or other compensation from the wage lien for income

8 tax.

9 BY repealing and reenacting, without amendments,

10 Article - Commercial Law

11 Section 15-601.1

12 Annotated Code of Maryland

13 (2000 Replacement Volume and 2001 Supplement)

14 BY repealing and reenacting, with amendments,

15 Article - Commercial Law

16 Section 15-602

17 Annotated Code of Maryland

18 (2000 Replacement Volume and 2001 Supplement)

19 BY repealing and reenacting, with amendments,

20 Article - Tax - General

21 Section 13-811

1 Annotated Code of Maryland
2 (1997 Replacement Volume and 2001 Supplement)

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

5 **Article - Commercial Law**

6 15-601.1.

7 (a) In this section "disposable wages" means the part of wages that remain
8 after deduction of any amount required to be withheld by law.

9 (b) The following are exempt from attachment:

10 (1) Except as provided in item (2) of this subsection, the greater of:

11 (i) The product of \$145 multiplied by the number of weeks in which
12 the wages due were earned; or

13 (ii) 75 percent of the disposable wages due;

14 (2) In Caroline, Kent, Queen Anne's, and Worcester counties, for each
15 work week, the greater of:

16 (i) 75 percent of the disposable wages due; or

17 (ii) 30 times the federal minimum hourly wages under the Fair
18 Labor Standards Act in effect at the time the wages are due; and

19 (3) Any medical insurance payment deducted from an employee's wages
20 by the employer.

21 (c) The amount subject to attachment shall be calculated per pay period.

22 15-602.

23 (a) When an attachment is levied against the wages of a judgment debtor, it
24 shall constitute a lien on all attachable wages that are payable at the time the
25 attachment is served or which become payable until the judgment, interest, and costs,
26 as specified in the attachment, are satisfied.

27 (b) [The limitations imposed by § 15-601.1(b)(1) and (2) of this subtitle do not
28 apply to an attachment of wages for income tax due the State.

29 (c)] Any waiver of the limitations contained in § 15-601.1(b)(1) and (2) of this
30 subtitle is void.

Article - Tax - General

1 13-811.

2 (a) In this section, "paymaster":

3 (1) means an employer's officer, representative, agent, or employee
4 charged with the duty of paying salary, wages, or other compensation for personal
5 services to an employee named in a notice of lien; and

6 (2) if the person named in a notice of lien is employed by the federal
7 government or its instrumentality with an office in the State where employee records
8 are kept, whether or not payroll records are kept or the payroll is prepared at that
9 office, includes the employee who:

10 (i) is designated to keep and maintain employee records in that
11 office; and

12 (ii) is or may be designated to receive and distribute pay checks to
13 the employees.

14 (b) The Comptroller promptly shall give notice of an income tax wage lien that
15 states the lien amount and the name of the person against whom the lien is taken by:

16 (1) certified mail, return receipt requested, under the postmark of the
17 United States Postal Service, to the employer; or

18 (2) personal service on the employer.

19 (c) (1) If an employer knows or has reason to know of the import of the
20 contents of the certified mail and refuses to accept its delivery, service as required
21 under subsection (b)(1) of this section is made when delivery is refused.

22 (2) Service as required under subsection (b)(2) of this section is made
23 when personal service is made on an officer or paymaster of the employer.

24 (d) (1) From salary, wages, or other compensation for personal services that
25 is due or becomes payable on or after the date on which a notice of wage lien is served
26 to the date on which a notice of satisfaction or release of the wage lien is received, an
27 employer or paymaster promptly shall pay to the Comptroller any salary, wages, or
28 other compensation due to the delinquent taxpayer, excluding only those amounts
29 specified in paragraph (2) of this subsection.

30 (2) The amount excluded under paragraph (1) of this subsection from
31 amounts paid to the delinquent taxpayer is [\$50 plus \$15 for each exemption for each
32 week] THE AMOUNT EXEMPT FROM ATTACHMENT PROVIDED IN § 15-601.1 OF THE
33 COMMERCIAL LAW ARTICLE.

1 (e) The Comptroller promptly shall give a notice of satisfaction or release of an
2 income tax wage lien to each employer or paymaster who received notice of the wage
3 lien.

4 (f) If, after service of a notice of income tax wage lien, an employer or
5 paymaster pays an employee salary, wages, or other compensation for personal
6 services in excess of the amount allowed in subsection (d)(2) of this section, the
7 employer or paymaster or both shall be personally liable for the excess amount paid to
8 the employee. However, the total amount that the Comptroller recovers may not
9 exceed the total amount paid to the employee in violation of this section.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
11 effect July 1, 2002.