

Chapter 14

(Senate Bill 60)

AN ACT concerning

Unemployment Insurance – Administration of Claims – Changes to Withholding Status

FOR the purpose of repealing the limitation on the number of times per benefit year a claimant for unemployment insurance benefits may change a previously elected withholding status; and generally relating to the administration of unemployment insurance benefit claims.

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 8–810
Annotated Code of Maryland
(2008 Replacement Volume and 2010 Supplement)

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

Article – Labor and Employment

8–810.

(a) An individual filing a new claim for unemployment insurance benefits establishing a new benefit year shall be advised of the following, at the time of filing such claim:

(1) unemployment insurance benefits are subject to federal, State, and local income tax;

(2) requirements exist pertaining to estimated tax payments;

(3) the individual may elect to have the Secretary deduct federal income tax from the individual's payment of unemployment insurance benefits at the amount specified in the federal Internal Revenue Code;

(4) the individual may elect to have the Secretary deduct State income tax from the individual's payment of unemployment insurance benefits at the rate of seven percent; and

(5) the individual may change a previously elected withholding status [once during each benefit year].

(b) Amounts deducted from unemployment insurance benefits pursuant to this section shall remain in the Unemployment Insurance Fund until transferred to the appropriate taxing authority as a payment of income tax.

(c) The Secretary shall follow the procedures specified by the United States Department of Labor, the federal Internal Revenue Service, and the Maryland State Comptroller pertaining to the deducting and withholding of income tax.

(d) Amounts deducted from unemployment insurance benefits under this section shall be deducted and withheld only after amounts are deducted and withheld for any overpayments of any unemployment insurance benefits, child support obligations, and to satisfy any other requirements of federal law.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011.

Approved by the Governor, April 12, 2011.