Article - Tax - General

[Previous][Next]

§10–910.

(a) At the time of employment, an employee shall sign and file with the employer an exemption certificate that states the number of exemptions to which the employee is entitled under this title.

(b) (1) Except as provided in paragraph (2) of this subsection, an employer shall base withholding for an employee:

(i) on the number of exemptions stated in the exemption certificate that the employee files; or

(ii) if the employee fails to file an exemption certificate or files an invalid certificate under subsection (c) of this section, on 1 exemption.

(2) If the Comptroller notifies an employer that an employee has an unpaid tax liability, that the employee failed to file a required Maryland income tax return, or that an employee is subject to a tax refund interception request, the employer shall base withholding for the employee:

(i) on a number of exemptions not exceeding the actual number of exemptions allowed on the employee's prior year's income tax return, as specified by the Comptroller; or

(ii) if the employee failed to file a required Maryland income tax return, on 1 exemption.

(c) (1) An exemption certificate is invalid if it:

(i) does not contain the information required; or

(ii) contains false or fraudulent information.

(2) An exemption certificate is not invalid if it states:

(i) a number of exemptions that is less than the number of exemptions to which the individual is entitled under § 10–211 of this title; or

(ii) a number of additional exemptions less than or equal to the fraction, rounded down to the nearest whole number:

1. the numerator of which equals the excess of the total of estimated itemized deductions, alimony payments, allowable child care expenses, qualified retirement contributions, business losses, and employer business expenses over the standard deduction allowance; and

2. the denominator of which equals the amount allowed for each exemption under § 10–211(a)(1) of this title for the applicable taxable year.

(d) A person who is entitled to receive a payment subject to withholding of winnings derived from wagering shall complete, under oath, and give to the payor a withholding certificate that contains the name, address, state of residence, and taxpayer identification number of:

(1) the person who is to receive the payment; and

(2) each person entitled to any portion of the payment.

[Previous][Next]