

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1252
Ways and Means

(Delegate Dumais)

Income Tax - Refunds - Payment

This bill prohibits the Comptroller from delaying the payment of an income tax refund to an individual who files a married filing separate income tax return without just cause, unless the refund is withheld pursuant to a provision under current law. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: None. The bill codifies existing practice.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Comptroller's Office currently operates several tax compliance programs which intercept the tax refund of an individual who has unpaid debts or liabilities including certain unpaid (1) federal, State, or local taxes; (2) debts to the State as certified by the Central Collection Unit of the Department of Budget and Management; and (3) child support obligations. In addition, the warrant intercept program authorizes an official of the federal, State, or local government charged with serving a criminal arrest warrant to certify to the Comptroller that an individual who is either a Maryland resident or who receives income from Maryland has an outstanding warrant and to request that the Comptroller withhold the individual's income tax refund.

If the income tax refund of a joint return has been intercepted to satisfy a State or federal tax debt, past due child support, or other State debt owed by one spouse, the other spouse may file an injured spouse claim form. An injured spouse must have income and either had income tax withheld or made estimated payments. If the Comptroller's Office determines the injured spouse is due a refund, any portion of the joint refund due to the injured spouse will be issued directly from the intercepting agency if the refund has already been intercepted.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office; Department of Legislative Services

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