
By: **Delegates Heller, Aumann, Bohanan, and Marriott (Joint Committee on
the Management of Public Funds)**

Introduced and read first time: January 20, 2005

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Employer Withholding - Exemptions**

3 FOR the purpose of requiring an employer to base income tax withholding for certain
4 employees on a certain number of exemptions under certain circumstances; and
5 generally relating to income tax withholding.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 10-910(b)
9 Annotated Code of Maryland
10 (2004 Replacement Volume)

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

13 **Article - Tax - General**

14 10-910.

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

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

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

21 (2) If the Comptroller notifies an employer that an employee has an
22 unpaid tax liability OR THAT THE EMPLOYEE FAILED TO FILE A REQUIRED
23 MARYLAND INCOME TAX RETURN, the employer shall base withholding for the
24 employee:

1 (I) on a number of exemptions not exceeding the actual number of
2 exemptions allowed on the employee's prior year's income tax return, as specified by
3 the Comptroller; OR

4 (II) IF THE EMPLOYEE FAILED TO FILE A REQUIRED MARYLAND
5 INCOME TAX RETURN, ON 1 EXEMPTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2005.