
By: **Delegates King, Cardin, G. Claggett, Dumais, Feldman, Lawton, and Levy**

Introduced and read first time: February 10, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Tax - Filing Deadlines for Employer Withholding Tax Returns**

3 FOR the purpose of altering the deadline for filing certain required State withholding
4 tax returns; providing for a waiver that entitles certain persons to file certain
5 tax returns on a certain schedule; providing for the application of this Act; and
6 generally relating to withholding tax returns.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 10-822
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2005 Supplement)

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

14 **Article - Tax - General**

15 10-822.

16 (a) (1) Except as provided in paragraphs (2) and (3) of this subsection, each
17 person required under § 10-906 of this title to withhold income tax shall complete and
18 file with the Comptroller a quarterly income tax withholding return, on or before the
19 [15th] LAST day of the month that follows the calendar quarter in which that income
20 tax was withheld.

21 (2) Subject to subsection (b) of this section, if the person reasonably
22 expects the total amount of income tax required to be withheld in [a quarterly] AN
23 ANNUAL period to be [\$700] \$2,800 or more, instead of a quarterly income tax
24 withholding return the person shall complete and file with the Comptroller a monthly
25 income tax withholding return:

26 (i) for the month of January, on or before February 15;

27 (ii) for the month of February, on or before March 15;

- 1 (iii) for the month of March, on or before April [15] 30;
- 2 (iv) for the month of April, on or before May 15;
- 3 (v) for the month of May, on or before June 15;
- 4 (vi) for the month of June, on or before July [15] 31;
- 5 (vii) for the month of July, on or before August 15;
- 6 (viii) for the month of August, on or before September 15;
- 7 (ix) for the month of September, on or before October [15] 31;
- 8 (x) for the month of October, on or before November 15;
- 9 (xi) for the month of November, on or before December 15; and
- 10 (xii) for the month of December, on or before January [15] 31.

11 (3) If the person reasonably expects the total amount of income tax
12 required to be withheld in a calendar year to be less than \$250 instead of a quarterly
13 income tax withholding return the person shall complete and file with the
14 Comptroller an annual income tax withholding return on or before January 31 that
15 follows that calendar year.

16 (b) (1) [If] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF a person
17 was required to withhold \$15,000 or more for the preceding calendar year, the person
18 shall complete and file an income tax withholding return with the Comptroller within
19 3 business days following each payroll that causes the total accumulated tax withheld
20 to equal or exceed \$700.

21 (2) (I) IF A PERSON IS ALLOWED TO FILE FEDERAL WITHHOLDING
22 TAX RETURNS ON A MONTHLY BASIS, THE PERSON MAY APPLY TO THE
23 COMPTROLLER FOR A WAIVER FROM THE REQUIREMENTS OF PARAGRAPH (1) OF
24 THIS SUBSECTION.

25 (II) A WAIVER PROVIDED UNDER THIS PARAGRAPH SHALL ALLOW A
26 PERSON TO FILE STATE WITHHOLDING TAX RETURNS ON A MONTHLY BASIS FOR THE
27 REMAINDER OF THE CALENDAR YEAR.

28 (III) A PERSON MAY APPLY FOR RENEWAL OF A WAIVER PROVIDED
29 UNDER THIS SUBSECTION IF THE PERSON REMAINS ELIGIBLE TO FILE FEDERAL
30 WITHHOLDING TAX RETURNS ON A MONTHLY BASIS.

31 (IV) THE COMPTROLLER MAY ESTABLISH REGULATIONS TO
32 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION.

33 (c) (1) A person required to file a quarterly or monthly income tax
34 withholding return shall continue to file returns, whether or not the person is

1 withholding any income tax, until the person gives the Comptroller written notice
2 that the person no longer has employees or no longer is liable to file the return.

3 (2) A person required to file returns under subsection (b) of this section
4 shall file a return at least once every month until the person gives the Comptroller
5 written notice that the person no longer has employees or no longer is liable to file the
6 return.

7 (d) Each person required to file a return under this section shall file returns
8 for other periods and on other dates as the Comptroller specifies by regulation,
9 including periods in which the person does not pay wages subject to withholding.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2006, and shall be applicable to all calendar years beginning after December
12 31, 2006.