

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 243

(Senator Astle)

Budget and Taxation

Ways and Means

Maryland Income Tax Refund - Anne Arundel County Warrant Intercept
Program - Extension

This bill extends the termination date of the Anne Arundel County warrant intercept program by five years to September 30, 2018.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: State revenues may increase beginning in FY 2014 due to the Comptroller intercepting the income tax refunds of specified individuals with outstanding warrants. Minimal general fund expenditure increase beginning in FY 2014 at the Comptroller's Office for notification expenses.

Local Effect: Potential minimal increase in local income tax revenues beginning in FY 2014. No effect on expenditures.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 451 of 2012 (SB 8) established the Anne Arundel County warrant intercept program. It 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. For any individual for which a certification of an outstanding warrant is received, the Comptroller is required to withhold the individual's

income tax refund and notify the individual of the certification of an outstanding warrant. The Comptroller may not withhold a refund if the individual is an active duty member of the U.S. Armed Forces or files a joint income tax return.

The program applies only to individuals who are residents of Anne Arundel County or have an outstanding warrant from Anne Arundel County. The program terminates September 30, 2013. The Comptroller's Office is required to report to the House Ways and Means Committee and the Senate Budget and Taxation Committee on implementation of the program by December 1, 2013.

State Fiscal Effect: This bill extends the termination date of the Anne Arundel County warrant intercept program to September 30, 2018. State revenues may increase beginning in fiscal 2014 due to the Comptroller continuing to intercept the income tax refunds of specified individuals with outstanding warrants. State revenues may increase in future years to the extent the individuals do not satisfy warrants. According to the Comptroller, the program has intercepted 58 tax year 2012 refunds.

The Comptroller's Office advises that it incurs notification expenses in order to inform an individual that their refund is being withheld. As a result, general fund expenditures will increase minimally beginning in fiscal 2014.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Anne Arundel County, Comptroller's Office, Department of Legislative Services

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mm/jrb

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