A BILL ENTITLED

AN ACT concerning

Comptroller – Withholding of Income Tax Refunds – Prohibition

FOR the purpose of prohibiting the Comptroller from withholding any portion of an income tax refund that is attributable to certain income tax credits awarded to certain debtors certified by the Central Collection Unit; and generally relating to the withholding of income tax refunds by the Comptroller for debts owed to the State.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 13–915(b)

Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

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

Article – Tax – General

13–915.

(b) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE Comptroller shall:

(i) withhold any income tax refund that may be due to a debtor whose name has been certified by the Central Collection Unit; and

(ii) pay to the Central Collection Unit the entire refund or the amount certified by the Central Collection Unit, whichever is less.
(2) (i) This paragraph does not apply to any debt owed for child or spousal support.

(ii) The Comptroller may not withhold any portion of an income tax refund that is attributable to tax credits awarded to the debtor under § 10–704 or § 10–751 of this article.

(3) All money paid to the Central Collection Unit by the Comptroller under this part shall be disposed of by the Central Collection Unit as provided in § 3–305 of the State Finance and Procurement Article.

[(3)] (4) Any income tax refund in excess of the certified amount shall be paid to the debtor.

[(4)] (5) The Comptroller shall notify the debtor of:

(i) any amount paid to the Central Collection Unit; and

(ii) the debtor’s right:

1. to request an investigation by the Central Collection Unit of the validity of the debt or correctness of the amount; and

2. to an administrative hearing and judicial appeal if the Central Collection Unit makes a determination adverse to the debtor.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.