

Letter of Information**Senate Bill 59 – Income Tax – Resident**
Budget and Taxation
January 22, 2025

We would like to thank Senator Rosapepe for introducing Senate Bill 59 (SB59), Income Tax – Resident. SB59 seeks to reduce the amount of time an individual must maintain a place of abode in Maryland to be considered a resident for income tax purposes from 6 months to 3 months.

Maryland currently maintains memoranda of understanding with four jurisdictions: Virginia, West Virginia, Pennsylvania, and the District of Columbia. These reciprocal agreements outline how state income taxes are reported for individuals who work across state lines and the income tax withholding requirements of their employers. The agreements also include agreed-upon standards for residency. For example, our memorandum of understanding with Virginia uses 183 days as the benchmark for residency. We would like to note that if the residency requirements for Maryland are modified, we may be required to renegotiate these memoranda, which could create unintended consequences for the many Maryland residents who work in a neighboring state.

If it is the will of the General Assembly to modify residency standards in Maryland, we are happy to work with the bill sponsors to develop language that preserves the intent of the bill without jeopardizing existing reciprocal agreements with other states. If you have any questions, please reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

